SUPPLEMENT TO THE MANAGEMENT INFORMATION CIRCULAR DATED SEPTEMBER 14, 2021 FOR THE EXTRAORDINARY MEETING OF HOLDERS OF 5.3% SENIOR UNSECURED NOTES DUE 2023 OF NABIS HOLDINGS INC. TO BE HELD ON NOVEMBER 29, 2021 (POSTPONED FROM SEPTEMBER 27, 2021)

NOVEMBER 15, 2021

1. SUPPLEMENT TO CIRCULAR

This supplement (the "**Supplement**") amends the management information circular (the "**Noteholders' Circular**") dated September 14, 2021 sent to holders of 5.3% senior unsecured notes due 2023 (the "**Noteholders**") of Nabis Holdings Inc. ("**Nabis**" or the "**Corporation**") in connection with the extraordinary meeting of Noteholders to be held virtually on November 29, 2021 at 9:00 a.m. (Vancouver time). Capitalized terms used in this Supplement that are not defined herein have the respective meanings given to them in the Noteholders' Circular.

This Supplement amends and supplements the Noteholders' Circular. In particular, the sections of the Circular entitled "Summary Background to Arrangement Resolution" (found at pages 7 to 8 of the Noteholders' Circular), entitled "Detailed Background to the Arrangement" (found at pages 8 to 10 of the Noteholders' Circular), entitled "Plan of Arrangement" (found at pages 10 to 11 of the Noteholders' Circular), entitled "Support Agreements" (found at pages 12 to 16 of the Noteholders' Circular), entitled "Share Purchase Agreement" (found at pages 16 to 17 of the Noteholders' Circular), entitled "Fairness Opinion" (found at pages 17 to 19 of the Noteholders' Circular), entitled "Summary of Interim Order" (found at pages 21 to 22 of the Noteholders' Circular), entitled "Summary of Final Order" (found at pages 22 to 23 of the Noteholders' Circular), entitled "Arrangement Resolution" (found at page 23 of the Noteholders' Circular) and entitled "Consent of StephenAvenue" (found at page 29 of the Noteholders' Circular) are amended and restated in their entirety, and replaced by, the information provided in the sections of this Supplement entitled "Summary Background to Arrangement Resolution", "Detailed Background to the Arrangement", "Plan of Arrangement", "Support Agreements", "Share Purchase Agreement", "Fairness Opinion", "Summary of Interim Order", "Summary of Final Order", "Arrangement Resolution" and "Consent of StephenAvenue". This Supplement also amends and replaces the following Appendices, which were attached to the Noteholders' Circular, with the amended Appendices which are attached hereto: Appendix A-1 – Arrangement Resolution; Appendix A-3 – Plan of Arrangement; Appendix A-5 – Fairness Opinion; Appendix A-6 – Interim Order and additional Order made on September 27, 2021; Appendix 7- Form of Final Order; Appendix A-8 Amended Notice of Hearing; Appendix A-9 – Share Purchase Agreement; and Appendix A-10 – Support Agreement. In addition, Appendix A-11 attached hereto is a copy of an Amended Petition in respect of the Arrangement court application, in addition to the Petition that was attached as Appendix A-4 to the Noteholders' Circular.

The Arrangement Resolution will be binding on all Noteholders if approved at the Meeting by the Noteholders holding not less than 75% in value of the principal amount of the Notes outstanding present or represented by proxy at the Meeting. The Note Delisting Resolution requires the approval of Noteholders holding not less than 66 2/3% of the principal amount of the Notes outstanding present or represented by proxy at the Meeting.

2. Summary Background to Arrangement Resolution

The disclosure under the heading "Summary to Background to Arrangement Resolution" is replaced with the following:

> The material asset (the "**Asset**") of the Corporation is 892,638 Verano Holdings Corp. ("**Verano**") Class A subordinate voting shares ("**Verano Shares**") (symbol VRNO) listed on the Canadian Securities Exchange ("**CSE**") which exhibit considerable volatility.
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> The material debt of the Corporation consists of $23 million in outstanding Notes issued to the Noteholders pursuant to the Indenture (plus accrued and unpaid interest) which exceeds the value of the Asset of the Corporation.
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> Caravel CAD Fund Ltd. owns and controls, directly or indirectly, 967,067 common shares of the Corporation, representing approximately 18.96% of the issued and outstanding common shares of the Corporation, and Caravel also owns $10,602,689 of the Notes, representing 46.1% of the outstanding Notes thereby providing Caravel with an effective veto over any amendment to the Indenture or any arrangement proposal affecting the Indenture and outstanding Notes. Caravel is not represented on the Board of the Corporation ("**Board**") and accordingly the Board is acting independently of Caravel.
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> Caravel has proposed the terms of a transaction that is the subject of the proposed Arrangement between the Corporation and the Noteholders to approve the acquisition of all of the Notes by the Corporation from the Noteholders for an amount equal to $64 cash for each $100 principal amount of Notes outstanding in full and final settlement of the Notes, and any and all accrued and unpaid interest owing to the Noteholders shall be forgiven, settled and extinguished for no consideration. Separate from the Arrangement, the Corporation received shareholder approval, as described below, to sell the Verano Shares to Caravel pursuant to for cash consideration of CAD$14,103,680.40 subject to and in accordance with the provisions of a share purchase agreement entered into by the Corporation and Caravel on August 23, 2021 and amended (the "**SPA Amendment**") on October 7, 2021, (the "**Share Purchase Agreement**") attached as Appendix "A-9" hereto, which is required to be closed by December 31, 2021 (unless extended by mutual consent of the parties). The Corporation will use the proceeds from the sale of the Verano Shares to acquire all of the outstanding Notes. The terms of the Share Purchase Agreement are further described below in this Circular.
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> Certain Noteholders ("**Supporting Noteholders**"), representing approximately over 75% per cent of the principal value of the outstanding Notes, have each entered into a support agreement ("**Support Agreement")**, where the form of the Support Agreement is the same for all Supporting Noteholders, with the Corporation, whereby the Supporting Noteholders have agreed to support, among other things, the acquisition and retirement of all of the Notes. The terms of the form of Support Agreement are further described below in this Circular.
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> Pursuant to the Final Order being sought, the Noteholders will waive, or be deemed to have waived, all defaults of the Corporation under the Indenture, and irrevocably consented to the variation of all necessary terms of the Indenture to allow for the acquisition of all of the Notes by the Corporation as provided in the Plan of Arrangement. The draft Final Order is further described below in this Circular.
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> The Corporation received shareholder approval of its shareholders ("**Shareholders**") with respect to the sale of the Verano Shares pursuant to the Share Purchase Agreement (the "**Asset Sale**

Resolution") which transaction constitutes a disposition of substantially the entire undertaking of the Corporation, and shareholder approval of the Arrangement at the annual and special meeting of Shareholders held on September 28, 2021 (the "**Shareholders' Meeting**"). As Caravel is considered a "related person" of the Corporation and each of the Share Purchase Agreement and Arrangement constitutes a "related party transaction", as such terms are defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the Corporation received shareholder approval from more than 66 2/3% of the votes of the minority shareholders (excluding the votes of majority shareholder Caravel) for the related party transactions at the Shareholders' Meeting (reference is made to the management prepared notice and information circular delivered to Shareholders and filed on SEDAR at www.sedar.com under the Corporation's profile satisfying the requirements set out in MI 61-101.

The Board has carefully considered the Arrangement in the light of other alternatives that it had previously considered, as well as the potential outcome of having to simply liquidate its assets and, reasonably assuming the proceeds of such a liquidation would be inadequate, then seeking protection from its creditors under the *Companies' Creditors Arrangement Act* or the *Bankruptcy and Insolvency Act*, and given the need to have Caravel in agreement with any corporate action, the Board concluded that the costs of the alternatives would almost certainly exceed the costs of the present Arrangement by a significant amount, and that the Noteholders would almost certainly receive substantially less cash consideration for their Notes, and accordingly the Board determined that it was unlikely that there is a better alternative than the Arrangement for the Noteholders.

If the Arrangement is not approved by the Noteholders at the Meeting, or any adjournment thereof, and by the Court, the Corporation will be required to consider other alternatives to restructure its indebtedness which may include additional financing and management of creditors. There is no assurance that the Corporation will have sufficient time or investor demand to arrange for the financing necessary in order to meet its near-term operating obligations and its obligation to pay the amounts that will be due under the Indenture. Further, if the Arrangement is not approved, the Corporation may experience serious liquidity restraints, impairing its ability to operate as efficiently as possible or at all.

2. DETAILED BACKGROUND TO THE ARRANGEMENT

The disclosure under the heading "DETAILED BACKGROUND TO THE ARRANGEMENT" is replaced with the following:

The Corporation became financially distressed in 2020 after a series of failed investments and poor management decisions. Caravel, as the largest holder of the Corporation's then-outstanding convertible debt, sponsored a restructuring transaction that was carried out via a proposal to creditors under the *Bankruptcy and Insolvency Act* (the "**Proposal**"). The intent of the Proposal (among other things) was to convey substantially all of the value of the Corporation' principal operating asset, the Emerald Dispensary in Phoenix, Arizona ("**Emerald**"), to the former creditors of the Corporation. The Proposal operated to cancel all of the then-outstanding common shares and other equity claims, and to satisfy the convertible debt and all other unsecured claims by the issuance of the Notes and 3.8 million Shares. Following the Proposal, the Company replaced its management and then board of directors. The implementation of the Arrangement furthers the intent of the Proposal. Also, substantially all of the Noteholders received common shares as a result of the implementation of the Proposal, and therefore will share ratably in any additional value realized by the Corporation after the Notes are repurchased.

Caravel, as the largest pre-Proposal creditor of the Corporation, had substantial influence over the terms of the Proposal and negotiated the Senior Unsecured Notes Indenture dated January 26, 2021 between Caravel, the Corporation, Odyssey and the Guarantors (as defined therein) as amended on April 1, 2021, a copy of which is available under the profile of the Corporation on SEDAR at www.sedar.com governing the Notes. Among other things, the Indenture stipulates cash flow sweep provisions with respect to asset sales on the part of the Corporation and also the requirement that any change to the cash flow sweep provisions be consented to by every affected Noteholder. These provisions made it impossible for the Corporation to make open market repurchases or undertake other transactions at prices less than 105% of par, which was the redemption price stipulated by the Indenture.

The Corporation sold Emerald to a subsidiary of Verano Holdings Corp. in a transaction that was executed on February 26, 2021 and closed on March 10, 2021. The proceeds of the transaction were $11.25 million in cash and 892,638 Verano Shares. The Verano Shares were subject to a contractual lock-up agreement and were also held in escrow conditional on certain changes to the Indenture governing the Notes releasing the Corporation' operating subsidiary in Arizona from its guarantee obligation under the Indenture.

Substantially all of the cash proceeds from the sale of Emerald were used to repay indebtedness owed to Caravel by the Corporation's operating subsidiary in Arizona and to pay certain expenses that Caravel had incurred in connection with the Proposal. The remainder of the consideration from the sale of Emerald constituted the 892,638 Verano Shares.

The Board met regularly in March and April of 2021 to consider how to best use the Verano Shares to discharge its obligations under the Indenture. Among the options that were considered were the gradual sale of the Verano Shares with the use of proceeds being used to make open market purchases of the Notes or a "reverse Dutch auction" tender offer for the Notes. Apart from the provisions of the Indenture that proscribed either of those alternatives being pursued, either option exposed the Corporation to the risk that the ultimate proceeds from the sale of the Verano Shares would be insufficient to redeem all of the Notes, and that the Corporation would be left with nominal assets with which to repay the Notes that remained. The Board determined that a holistic transaction that would discharge the obligation of the Notes and contemporaneously monetize the Verano Shares would be the best course of action for the Corporation.

The Verano Shares constitute the majority of the Corporation's assets and exhibit considerable volatility. The Board concluded that eliminating exposure to the market price of assets over which it exercises no control is in the best interest of the Corporation and provides value certainty to the Corporation for the Verano Shares.

As a result of the foregoing, beginning in April 2021 certain directors of the Corporation had conversations with representatives of Caravel regarding the terms on which Caravel and the Corporation could pursue a holistic solution that would satisfy the Noteholders, eliminate the Corporation's substantial indebtedness, and eliminate the Corporation's exposure to the price of the Verano Shares. The Arrangement will eliminate all of the Corporation's indebtedness, which the Board believes will make the Corporation a more attractive investment for providers of capital. The Board does not believe that any third-party capital will be available to the Corporation until its indebtedness is eliminated, on acceptable terms or at all. Further, the repurchase of all of the Notes will result in the avoidance of significant interest costs by the Corporation. Various transactions were discussed over the course of May 2021 but no agreement was reached. The support of Caravel was critical to the success of any potential transaction, since Caravel owns more than one-third of

the Notes and enjoys an effective veto right over any amendment to the Indenture or arrangement proposal that would be required to effect such a transaction.

Contemporaneously, the Corporation received an indemnity notice from Verano arising from the Emerald sale, along with a Payment Reminder Notice from the IRS alleging that Emerald had tax owing in respect of its 2015 tax year of US$590,000 along with interest and penalties of approximately US$230,000.

The Corporation cannot determine how long it might take to resolve this matter with the IRS and while Verano has to date been prepared to forbear from demanding payment of the indemnity there is no guarantee that they will continue to do so. As a result, the Corporation has no choice except to reserve adequate funds for the payment of the indemnity amount. This reserve reduced the amount available for distribution to Noteholders under any potential transaction and caused delay in the negotiation of an acceptable transaction with Caravel.

Discussions continued into June 2021, at which point Caravel proposed the terms of the transaction that is the subject of this Arrangement. Initial terms previously proposed in July and August 2021 have either lapsed or been amended to the current terms comprising this Arrangement. Caravel has informed the Corporation, through various dealings and intensive negotiations, that it will not support any alternative transaction to the Arrangement. Absent the support of Caravel, an alternative transaction is otherwise impossible to implement. The Board considered the transaction in the light of other alternatives that it had previously considered, as well as the potential of simply liquidating its assets and, if the proceeds of such a liquidation were inadequate, then seeking protection from its creditors under *Companies' Creditors Arrangement Act* or the *Bankruptcy and Insolvency Act*. The Board concluded that the costs of the latter alternative would almost certainly exceed the costs of the present arrangement by a significant amount and determined that there is no realistic viable alternative than the present transaction. The Board considered that initiating insolvency proceedings would result in the incurrence of substantial legal and professional fees that would diminish the value of Corporation's estate, resulting in an inferior outcome for all stakeholders. As a result, the Board determined to pursue the Arrangement as further set out below and entered into a support agreement with Caravel to that effect.

Caravel indicated that it had been in communication with other Noteholders who it believed would be supportive of the Arrangement. The Corporation indicated to Caravel that it was only prepared to pursue the Arrangement if it was clear that the requisite amount of support from Noteholders was achieved through the execution of Support Agreements substantially similar to the one executed by Caravel. To date, Noteholders representing more than seventy-five percent (75%) of the Notes have signed Support Agreements and agreed to vote in favour of the Arrangement. The principal terms of the Arrangement were initially set out in the Support Agreements and will be implemented pursuant to the Plan of Arrangement which must be in form and substance acceptable to the Noteholders, acting reasonably.

Caravel and the Corporation entered into the Share Purchase Agreement as at August 23, 2021 and amended on October 7, 2021 whereby Caravel committed to buy the Verano Shares from the Corporation for consideration of CAD$14,103,680.40 cash subject to normal course conditions and a closing date coinciding with the implementation of the Arrangement, unless extended by the parties.

On September 17, 2021, Caravel commenced an action in the Ontario Superior Court of Justice (the "OSCJ") against the Corporation (the "Action") and on September 21, 2021, the Corporation commenced an application in the OSCJ against Caravel (the "Application"). The aforementioned

legal matters have now been resolved. The Corporation and Caravel entered into binding minutes of settlement under which the legal proceedings previously commenced by each of the Corporation and Caravel were dismissed .

On October 7, 2021, Caravel and the Corporation entered into the First Amendment to the Share Purchase Agreement whereby Caravel committed to buy the Verano Shares from the Corporation for consideration of CAD$14,103,680.40 cash subject to normal course conditions and a deadline or termination date of December 31, 2021, unless extended by the parties.

3. Plan of Arrangement

The disclosure under the heading "Plan of Arrangement" is replaced with the following:

The Corporation has proposed the Plan of Arrangement with the support of multiple Noteholders and with the support of Caravel being the largest Noteholder holding 46.1% of the principal value of the Notes outstanding under the Indenture. The Arrangement will pay $64 per $100 principal amount to Noteholders, a 14.3% premium to $56, the closing price of the notes on September 8, 2021. The Arrangement is being sought by the Corporation pursuant to Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement subject to any amendments or variations thereto made in accordance with Section 6.5 of the Plan of Arrangement, and, to the extent applicable, the Support Agreements, or made at the direction of the Court in the Interim Order, the Amended Interim Order or the Final Order, all as consented to by the Corporation and the Supporting Noteholders, acting reasonably. The Plan of Arrangement is attached hereto as Appendix "A-3" and amends and replaces Appendix "A-3" in its entirety, which was previously attached to the Noteholders' Circular". Noteholders are encouraged to carefully review the Plan of Arrangement in its entirety. The summary of the Plan of Arrangement set forth in this Circular is qualified in its entirety by reference to the full text of the Plan of Arrangement.

The Plan of Arrangement consists of the following:

(a) The Corporation will acquire all of the outstanding Notes at $64 for each $100.00 principal amount of Notes outstanding which shall, and shall be deemed to, be received in full and final settlement of all Notes, any claim ("**Noteholder Claim**") of a Noteholder for any liabilities, duties and obligations arising out of or in connection with the Notes, and any indebtedness ("**Noteholder Indebtedness**") arising out of or in connection with the Notes;

(b) Any and all accrued and unpaid interest owing to each Noteholder shall be forgiven, settled and extinguished for no consideration;

(c) The Noteholders shall be deemed to have been, settled, satisfied and discharged and irrevocably and finally terminated, extinguished and cancelled, the whole without the need for any further payment or otherwise, and each Noteholder shall have no further right, title or interest in and to, or recourse against the Corporation or any related party ("**Related Party**") to the Corporation with respect to, the Notes, the Noteholder Claims or the Noteholder Indebtedness;

(d) The Notes and all related documents shall be cancelled and thereupon be null and void;

(e) The Trustee (as defined in the Indenture) shall be discharged and released under the Indenture;

(f) Any and all security interests, including guarantees, granted by the Corporation or any Related Party with respect to the Notes, Noteholder Claims or Noteholder Indebtedness shall be, and shall be deemed to be, released, discharged and extinguished;

(g) The Trustee, if requested by the Corporation, will be authorized to execute and deliver such documents reasonably requested by the Corporation to evidence the settlement, termination, extinguishment, cancellation and satisfaction and discharge of the Notes, the Noteholder Claims and the Noteholder Indebtedness.

On or after the implementation of the above steps of the Plan of Arrangement:

(a) The Corporation shall pay in full the Trustee fees incurred by the Trustee or Trustees whether prior to or after the commencement of the BCBCA proceedings incurred through to the date of implementation of the Plan of Arrangement; and

(b) The Corporation shall pay in full in cash the outstanding reasonable and documented fees and expenses of the legal advisors to the Corporation.

Payment to the Noteholders shall be effected through the delivery of the purchase price to the Trustee for distribution to the Noteholders wherein, depending on registration of such Notes, the Trustee may forward funds through intermediaries through the facilities of DTC or CDS or in such other manner as may be agreed by the Corporation and the recipients of the payments.

4. Support Agreements

The disclosure under the heading "Support Agreements" is replaced with the following:

As discussed above, certain Supporting Noteholders, who hold over 75% of the Notes, have each entered into a Support Agreement, where the form of the Support Agreement is the same for all Supporting Noteholders, with the Corporation, whereby the Supporting Noteholders have agreed to support, among other things, the acquisition and retirement of all of the Notes, to be implemented pursuant to the Plan of Arrangement to be filed by the Corporation in proceedings under the BCBCA before the Court. Capitalized terms not otherwise defined in this Circular have the meaning set out in the attached form of Support Agreement at Appendix "A-10" which amends and replaces Appendix "A-10" in its entirety, previously attached to the Noteholders' Circular. Noteholders are urged to carefully review the Support Agreement in its entirety. The summary of the Support Agreement set forth in this Circular is qualified in its entirety by reference to the full text of the Support Agreement. Caravel executed a Support Agreement effective October 7, 2021 pursuant to which it agreed to support the Arrangement including, among other things, to vote in favour of the Arrangement and act in good faith and take all commercially reasonable actions that are reasonably necessary or appropriate to promptly consummate the Arrangement.

The following is a summary of the principal terms of the Support Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the Support Agreement, a copy of which may be obtained at www.sedar.com under the Corporation's filings.

Covenants

Pursuant to the Support Agreement, each of the Supporting Noteholders and the Corporation have agreed, subject to the terms and conditions of the Support Agreement, among other things, that the Supporting Noteholder:

- will not, and will ensure that no beneficial owner of the Notes subject to certain exceptions, will (i) directly or indirectly sell, transfer or dispose any right or interest in any of the Notes or Shares (ii) grant or agree to grant any proxies or powers of attorney, deliver any voting instruction form, deposit any Notes or Shares into a voting trust or pooling agreement or (iii) requisition or join in the requisition of any meeting of Noteholders or solicit consents or other form of support from Noteholders for the purpose of considering or consenting to any resolution or request or accelerating the principal, premium, if any, and unpaid interest on the Notes;

- subject to certain exceptions, undertakes and agrees from time to time to (i) cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) all the Notes and/or Shares listed opposite its name on Schedule A of the Support Agreement at any meeting of Noteholders and/or any meeting of shareholders in favour of the Arrangement. The Supporting Noteholders further agree to (i) deposit and to cause any beneficial owners of Notes and/or Shares eligible to be voted to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of the Notes and/or Shares eligible to be voted, voting all such Notes and/or Shares in favour of the Arrangement. The Supporting Noteholder further agrees that it will not take, nor permit any person on its behalf to take, any action to withdraw, revoke, amend or invalidate any (i) proxy or voting instruction form deposited pursuant to the Support Agreement notwithstanding any statutory or other rights or otherwise which the Noteholder might have or (ii) any written consent or waiver delivered by the Noteholder to the Trustee notwithstanding any right under the Indenture the Noteholder might have. The Noteholder will, at the request of the Corporation, provide evidence to the Corporation that the Noteholder has voted the Notes and/or Common Shares in accordance with the terms;

- agrees to act in good faith and take all commercially reasonable actions that are reasonably necessary or appropriate to promptly consummate the Arrangement in accordance with the terms and conditions set forth herein and use its reasonable best efforts to support the Arrangement contemplated by this Agreement and the Term Sheet, as applicable, including, without limitation, assisting with applicable regulatory approvals.

- has not, and agrees not to, directly or indirectly, grant or deliver any other proxy, power of attorney or voting instruction form with respect to the matters set forth in this Agreement except as expressly required or permitted by this Agreement.

- will not, and will ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative, agent or otherwise:

    - solicit proxies or become a participant in a solicitation in opposition to the Arrangement, including the Arrangement Proceedings;

    - knowingly assist any Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the completion of the Arrangement, including the Arrangement Proceedings;

  - act jointly or in concert with others with respect to voting securities of the Corporation for the purpose of opposing the Arrangement, including the Arrangement Proceedings;
  - take any other action that is materially inconsistent with its obligations under this Agreement and the Term Sheet; or
  - cooperate in any way with, assist or participate in, knowingly encourage or otherwise knowingly facilitate any effort or attempt by any other Person to do or seek to do any of the foregoing.

- will not, and the Supporting Noteholder will ensure that no beneficial owner of the Notes or Shares will take any action of any kind in connection with its beneficial ownership or control or direction of the Notes or Shares that would reasonably be regarded as likely to adversely affect, reduce the success of, materially delay or interfere with the completion of the Arrangement.

  Consents to (i) details of this Support Agreement being set out in any press release, information circular, court documents or similar documents produced by the Corporation or any of their respective affiliates in connection with the Arrangement; (ii) this Support Agreement and the details of this Support Agreement being shared with Odyssey; and (iii) this Support Agreement being made publicly available, including by filing on the System for Electronic Document Analysis and Retrieval (SEDAR) administered by the Canadian Securities Administrators.

- subject to certain exceptions, will not, and will ensure that its affiliates do not, make any public announcement or public statements with respect to the Arrangement without the prior written approval of the Corporation.

Representations and Warranties

In the Support Agreement, the Noteholder, on the one hand, and the Corporation, as applicable, on the other hand, make a number of customary representations and warranties to each other regarding themselves, the Support Agreement and the Arrangement.

Conditions

The Support Agreement provides that the obligations of the Noteholder to vote in favour of the Arrangement and the Arrangement Proceedings is subject to the satisfaction of a number of conditions each of which may be waived by the Noteholder, including:

- the Arrangement and all definitive agreements, court materials and other material documents in connection with the Arrangement and Arrangement Proceedings, and any and all amendments, modification or supplements relating to any of the foregoing, including, without limitation and as applicable, this Agreement, all material applications, motions, pleadings, orders, rulings and other documents filed by the Corporation with a court in the Arrangement Proceedings and any other material documentation required in connection with the meetings of the Noteholders and holders of the Shares, shall be in form and substance acceptable to the Noteholder, acting reasonably;

- all orders made and judgments rendered by any competent court of law and all rulings and decrees of any competent regulatory body, agent or official in respect of the Arrangement Proceedings shall be satisfactory to the Noteholder, acting reasonably;

- the Arrangement, the proposed order in respect of the Arrangement, and all other materials filed by or on behalf of the Corporation in the Arrangement Proceedings shall have been filed (and, if applicable, issued) in form and substance acceptable to the Noteholders, acting reasonably;

- the Corporation, shall have complied in all material respects with each covenant and obligation in this Support Agreement that is to be performed on or before the date that is three (3) Business Days prior to the Arrangement Proceedings;

- the representations and warranties of the Corporation set forth in this Support Agreement shall continue to be true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) at and as of the date hereof and at and as of the date that is three (3) Business Days prior to the Arrangement Proceedings (except to the extent such representations and warranties are by their terms given as of a specified date, in which case such representations and warranties shall be true and correct in all material respects as of such date), except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement;

- there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application (other than a frivolous or vexatious application by a Person other than a Governmental Entity) shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Arrangement Proceedings that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Arrangement Proceedings or any material part thereof or requires or purports to require a material variation of the Arrangement;

- all actions taken by the Corporation in furtherance of the Arrangement shall be consistent in all material respects with this Agreement.

Termination

The Support Agreements will terminate and be of no further force or effect upon the earliest to occur of:

- The mutual agreement in writing of the Parties;

- written notice by the non-breaching Party to the breaching Party any representation or warranty of the Corporation under the Support Agreement is untrue or incorrect in any material respect, provided, that at the time of such termination, the Noteholder is not in material default in the performance of its obligations under this Agreement that have not been cured within five Business Days of receiving Notice from the Corporation of such default;

- December 31, 2021;

Each Party will give prompt Notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the termination of the Support Agreement of any event or state of facts which occurrence or failure would, or would be likely to, give rise to a right of termination by the other Party;

The Noteholder may not exercise its right to terminate this Agreement and the Corporation may not exercise its right to terminate the Support Agreement, unless the Party or Parties seeking to terminate the Agreement delivers a written notice to the other Party or Parties specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party or Parties delivering such Notice is asserting as the basis for the termination right. If any such Notice is delivered prior to any meeting, provided, that a Party is proceeding diligently to cure such matter and such matter is capable of being cured, no Party may exercise such termination right until the earlier of

- (i) five Business Days prior to such meeting, and
- (ii) the date that is five Business Days following receipt of such Notice by the Party to whom the Notice was delivered, if such matter has not been cured by such date. If any such Notice is delivered after the date of such meeting, provided that a Party is proceeding diligently to cure such matter and such matter is capable of being cured, no Party may exercise such termination right until the date that is five Business Days following receipt of such Notice by the Party to whom the Notice was delivered.

Upon termination of the Support Agreement, no party will have any further liability to perform its obligations under the Support Agreement except as expressly contemplated therein, and, provided, that neither the termination of the Support Agreement nor anything contained in the Support Agreement will relieve any Party from any liability for any breach by it of the Support Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made therein.

5. Share Purchase Agreement

The disclosure under the heading "Share Purchase Agreement" is replaced with the following:

As discussed above, the Corporation and Caravel entered into the Share Purchase Agreement. Subject to the conditions precedent of obtaining Noteholder and Court approval of the Plan of Arrangement and shareholder approval of the sale of the Verano Shares, satisfying the conditions of implementation thereof including separately obtaining the requisite shareholder approval for the sale of the Verano Shares to Caravel, Caravel has agreed to purchase the Verano Shares for the cash sum of $14,103,680.40 on the date of implementation of the Arrangement. On September 28, 2021, the Corporation received the requisite shareholder approvals for the sale of the Verano Shares, including the sale of such shares to Caravel at the Shareholders' Meeting (the "**Shareholder Approval**"). In terms of the Shareholder Approval, the Board was authorized and empowered, in its sole discretion, to approve or amend any terms of the Share Purchase Agreement.

The Share Purchase Agreement contains standard representations and warranties of the Corporation as to due ownership of the Verano Shares, the legal ability to convey valid unencumbered title with respect to the Verano Shares to Caravel, including the absence of any rights to the Verano Shares by third parties, and that any and all regulatory or governmental approvals will have been obtained to do so. Caravel represented that it is an accredited investor under applicable securities legislation. The SPA Amendment, among other things, amended the consideration payable for the Verano shares from $17,495,705 to $14,103,680.40.

On closing of the Share Purchase Agreement, the Corporation must confirm that the Plan of Arrangement has received the requisite approvals and that it has satisfied the conditions for implementation of the Plan of Arrangement, and be in compliance with its representations, warranties and covenants under the Share Purchase Agreement.

Against delivery of registered and beneficial title to the Verano Shares to Caravel, the Corporation will receive the above-noted cash consideration. The Share Purchase Agreement is attached as Appendix "A-9" to this Circular. Noteholders are encouraged to carefully review the Share Purchase Agreement in its entirety. The summary of the Share Purchase Agreement set forth in this Circular is qualified in its entirety by reference to the full text of the Share Purchase Agreement.

6. Fairness Opinion

The disclosure under the heading "Fairness Opinion" is replaced with the following:

The Board obtained a fairness opinion ("**Fairness Opinion**") from StephenAvenue Securities Inc. ("**StephenAvenue**") dated October 29, 2021. Based on StephenAvenue's scope of review and subject to the assumptions made, matters considered and limitations and qualifications set forth therein, StephenAvenue concluded that the Arrangement is fair, from a financial point of view to the Noteholders. The Fairness Opinion was prepared for the sole use of the Board as one factor among others to consider in deciding whether to approve the Arrangement. The Fairness Opinion may not be relied upon by any other party. The full text of the Fairness Opinion is attached as Appendix "A-5" to this Circular and Noteholders are encouraged to read the Fairness Opinion carefully and in its entirety.

The Fairness Opinion describes the scope of the review undertaken by StephenAvenue, the assumptions made by StephenAvenue, the limitations on the use of the Fairness Opinion, and the basis of StephenAvenue's analyses for the purposes of the Fairness Opinion, among other matters. The summary of the Fairness Opinion set forth in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion. Stephen Avenue has provided its written consent to the inclusion of the Fairness Opinion in this Circular.

The Fairness Opinion provides various assumptions, including but not limited to:

- the Arrangement will be completed substantially on the terms presented to StephenAvenue, consistent with the documents and agreements presented to and reviewed by StephenAvenue;
- all contracts and agreements presented to and reviewed by StephenAvenue will be executed and enforceable in accordance with their terms and that all parties thereto will comply with the terms therein;
- there have been no material changes in the operations or financial position of the Corporation from the information presented to StephenAvenue as part of its review;
- StephenAvenue's conclusions are based on the latest financial and operational information available for the Corporation as of the date of the Fairness Opinion;
- management of the Corporation has made available to StephenAvenue all information they believe is relevant to the preparation of the Fairness Opinion; and
- the Corporation has no material unrecorded assets or unaccrued liabilities, unless otherwise noted herein positive or negative.

The Fairness Opinion is subject to various limitations, including but not limited to:

- StephenAvenue has relied, without independent verification, upon the accuracy, completeness and fair presentation of all financial and other information that was obtained by StephenAvenue from public sources of that was provided to StephenAvenue by management of the Corporation and any of its affiliates, associates, advisors or otherwise;

- StephenAvenue has relied upon a written letter of representation from management of the Corporation stating that: (i) all information provided to StephenAvenue is complete, true and correct in all material respects and does not contain any untrue statement of a material fact in respect of the Corporation, its operating assets, or the Arrangement; (ii) since the time that information was provided to StephenAvenue, there have been, no material changes in such information or in factors surrounding the Arrangement which would have a material effect on the conclusions in the Fairness Opinion; and (iii) having reviewed the Fairness Opinion, they are not aware of any errors, omissions or misrepresentations of facts therein which might significantly impact the conclusions therein;

- the Fairness Opinion is based on the securities markets, economic, general business and financial conditions prevailing as of the date of the Fairness Opinion and the conditions and prospects of the Corporation as reflected in the information provided to StephenAvenue. In preparing the Fairness Opinion, StephenAvenue made numerous assumptions with respect to financial performance, general business, economic and market conditions, and other matters, the outcome of which are beyond the control of StephenAvenue or any party involved in the Arrangement;

- StephenAvenue had not conducted an audit or review of the financial affairs of the Corporation, nor had StephenAvenue sought external verification of the information provided to StephenAvenue extracted from public sources;

- the Fairness Opinion is limited to the fairness of the Arrangement, from a financial point of view and not the strategic or legal merits of the Arrangement;

- the Fairness Opinion has been provided for the use of the Board and should not be construed as a recommendation to vote in favour of the Arrangement. The Fairness Opinion will be one factor, among others, that the Board will consider in determining whether to approve and recommend the Arrangement;

- the Fairness Opinion is given only as of the date of the Fairness Opinion and StephenAvenue disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to its attention after the date of the Fairness Opinion. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date of the Fairness Opinion, StephenAvenue reserves the right to change, modify or withdraw the Fairness Opinion;

- fair market value, and hence fairness from a financial point of view, changes from time to time not only as a result of internal factors, but also because of external factors such as changes in the economy, competition and changes in consumer/investor preferences;

- StephenAvenue has not provided any legal interpretation, opinion on any contract or document, or a recommendation to invest or divest;

- the Fairness Opinion must be considered in its entirety, as selecting and relying on only a specific portion of the analysis or factors considered by StephenAvenue, without considering all factors and analyses together, could create a misleading view of the processes underlying the Fairness Opinion; and
- StephenAvenue has not provided a calculation, estimate or comprehensive valuation of the Arrangement.

In preparing the Fairness Opinion, StephenAvenue relied upon financial and other information, including prospective financial information, obtained from management, the Corporation's advisors, the Corporation's largest Noteholder and from various public, financial and industry sources. Principal information included discussions with management, the Board and Corporation's advisors, the Corporation's financial statements, budgets, forecasts and tax returns, the Support Agreement, the Corporation's share trading information, analyst and industry reports. StephenAvenue has not, to the best of its knowledge, been denied access by management to any information requested by StephenAvenue.

In addition, StephenAvenue considered, among other things, the following matters:

- the Corporation is in default of its unsecured obligations;
- liquidation of the Corporation's sole material asset by way of incremental sale of the Verano Shares on the CSE would likely result in materially less proceeds for satisfaction of the Notes;
- if the Arrangement is not approved, the Corporation may be required to consider bankruptcy or CCAA proceedings;
- the Arrangement would permit continued participation by Shareholders in the Corporation's growth and/or future strategic initiatives while improving the Corporation's solvency and liquidity;
- StephenAvenue and the Corporation are not aware of any other feasible alternatives that are better than the Arrangement;
- Shareholder approvals for the Arrangement and Share Purchase Agreement were obtained by the Company on September 28, 2021;
- The Company has received consideration for the Share Purchase Agreement in escrow;
- The Company and Caravel have agreed to dismiss previously announced litigation matters against one another and entered into a mutual full and final release; and
- the Arrangement is supported by advisors and key stakeholders, including the Corporation's major Shareholder and Noteholder.

StephenAvenue has confirmed that it is not an associated or affiliated entity or insider of the Corporation. StephenAvenue has also confirmed that it has no material ownership position in the Corporation. None of the fees received by StephenAvenue were contingent upon the outcome of the Arrangement.

As of October 29, 2021, the date of the Fairness Opinion, based on StephenAvenue's scope of review, assumptions and limitations, the proposed Arrangement is fair, from a financial point of view, to the Noteholders.

7. Summary of Interim Order

The disclosure under the heading "Summary of Interim Order" is replaced with the following:

The Corporation applied to the Court for the Interim Order made on September 14, 2021 and for an additional Order made on September 27, 2021 (both the original Order and additional Order are attached as Appendix "A-6" to this Circular), pursuant to which:

1. The Noteholder Meeting, pursuant to the provisions of the BCBCA, originally scheduled to be held on September 27, 2021 at 8:00am Pacific Standard Time was properly adjourned and that the Noteholder Meeting may proceed at such other time and location to be determined by the Corporation, provided that the Noteholders have due notice of the same;

2. At the Noteholders' Meeting, the Noteholders will, inter alia, consider, if deemed advisable, approve the Arrangement Resolution, adopting, with or without amendment, the Arrangement of the Corporation and the Noteholders, as set forth in the Plan of Arrangement;

3. At the Noteholders' Meeting, the Corporation may also transact such other business as is contemplated by the Circular or as otherwise may be properly brought before the Noteholders' Meeting including the Note Delisting Resolution (as defined herein);

4. The Noteholders' Meeting will be called, held and conducted in accordance with the Notice of Extraordinary Meeting of Noteholders to be delivered in substantially the form attached to the Circular, and in accordance with the applicable provisions of the BCBCA, the rulings and directions of the chairperson of the Noteholders' Meeting, and in accordance with the terms, restrictions, and conditions of the articles of the Corporation, including quorum requirements and all other matters, and provided that the foregoing shall be consistent in all respects with the terms of the Support Agreements signed by the Noteholders;

5. The record date for the determination of the Noteholders entitled to receive the Meeting Notice, the Circular, the Interim Order, a Notice of Hearing for Final Order and a form of proxy (the "**Meeting Materials**") is August 24, 2021, or such other date as the directors of the Company may determine in accordance with the Indenture and applicable securities laws, as disclosed in the Meeting Materials.

6. The Meeting Materials, with such amendments or additional documents as counsel for the Corporation advises as necessary or desirable, and that are not inconsistent with the terms of the Interim Orders, will be sent, pursuant to the delivery methods set out in the Interim Orders, at least 12 days before the date of the Noteholders' Meeting, and such that the date of deemed receipt of the Meeting Materials is at least 11 days prior to the date of the Noteholders' Meeting. The applicable Meeting Materials will be sent by prepaid ordinary mail, filed on SEDAR and the Corporation shall issue a press release announcing the Noteholders' Meeting and the availability of the Meeting Materials;

7. The quorum required at the Noteholders' Meeting will be the presence, virtually or by proxy, of Noteholders holding 25% of the principal value of the outstanding Notes as at the Record Date;

8. The only persons entitled to vote at the Noteholders' Meeting will be the registered Noteholders appearing on the records of the Corporation as of the close of business (PST) on the Record Date and their valid Proxyholders as described in the Circular and as determined by the chairperson of the Meeting in consultation with the scrutineer and legal counsel to the Corporation;

9. The required level of approval of the Arrangement Resolution at the Noteholders' Meeting will be an affirmative vote of Noteholders holding not less than 75% in value of the principal amount of the Notes, present or represented by proxy. The Notes are entitled to be voted at the Noteholders' Meeting on the basis of one vote in respect of each $1,000 CAD principal amount of Notes;

10. The required level of approval of the Note Delisting Resolution at the Noteholders' Meeting will be an affirmative vote of Noteholders holding not less than 66 2/3rds% in value of the principal amount of the Notes present or represented by proxy at the Meeting;

11. There are other, mainly procedural, provisions in the Interim Order and additional Order made on September 27, 2021 (as attached as Appendix "A-6" to this Supplement which amends and replaces Appendix "A-6" previously attached to the Noteholders' Circular); and

On conclusion of the Noteholders' Meeting, and subject to the Corporation obtaining the requisite approvals of the Arrangement Resolution and the Note Delisting Resolution and subject to the Notice of Hearing for Final Order attached as Appendix "A-7", the Corporation may apply for the Final Order substantially in the form attached as Appendix "A-8" to this Supplement, which amends and replaces the respective appendices previously attached to the Noteholders' Circular.

8. Summary of Final Order

The disclosure under the heading "Summary of Final Order" is replaced with the following:

Subject to the approval of the Arrangement by Noteholders at the Meeting, the hearing in respect of the Final Order is scheduled to take place on December 1, 2021 at 9:45 a.m. (Vancouver time) (or such later time and/or date as the Court will advise) at the courthouse, at 800 Smithe Street, Vancouver, British Columbia, Canada. At the hearing, any Noteholder or other interested party who wishes to participate, or to be represented, or to present evidence or argument, may do so, subject to filing with the Court and serving upon the solicitors for the Corporation a Notice of Appearance and satisfying any other requirements of the Court as provided in the Interim Order or otherwise.

The Final Order provides as follows:

1. Pursuant to section 291(4)(c) of the *BCBCA*,

   a. the Court is satisfied that the Corporation has acted, and is acting, in good faith with due diligence, and have complied with the provisions of the *BCBCA* and the Interim Order in all respects; and

   b. the terms and conditions of the Arrangement, as more particularly described in the Plan of Arrangement, are procedurally and substantively fair and reasonable.

2. The Arrangement proposed by the Corporation as provided in the Plan of Arrangement be approved pursuant to the provisions of section 291(4) of the *BCBCA*.

3. As of the Effective Date, and as at the times and in the sequences set forth in the Plan of Arrangement, the Plan of Arrangement and all associated steps and transactions shall be binding and effective as set out in the Plan of Arrangement, and on the terms and conditions set forth in the Final Order, upon the Corporation and the Noteholders and all other persons named or referred to in, or subject to, the Plan of Arrangement.

4. From and after the Effective Date, all Persons:

   a. shall be deemed to have waived any and all defaults or events of default or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, licence, guarantee, agreement for sale or other agreement, written or oral, in each case relating to, arising out of, or in connection with, the Notes, the Unsecured Note Documents, the Support Agreement, the Arrangement, the Plan of Arrangement, the transactions contemplated hereunder and any proceedings commenced with respect to or in connection with this Plan of Arrangement and any and all amendments or supplements there to;

   b. any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection with any of the matters noted in paragraph 6(a) shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Corporation and its respective successors from performing their obligations under the Plan of Arrangement; and

   c. any conflict between the provisions of any agreement or other arrangement, written or oral, existing between such Person and the Corporation and the provisions of the Plan of Arrangement, are deemed to be governed by the terms, conditions and provisions of the Plan of Arrangement and this Order, which shall take precedence and priority and the provisions of such agreement or other arrangement are deemed to be amended accordingly.

5. From and after the Effective Date, at the time and in the sequence, as applicable, set forth in the Plan of Arrangement, the releases set forth in sections 2.1 and 4.3 of the Plan of Arrangement shall be binding and effective as set out in the Plan of Arrangement.

6. The transactions contemplated by and to be implemented pursuant to the Plan of Arrangement shall not be void or voidable under federal or provincial law and shall not constitute and shall not be deemed to be preferences, assignments, fraudulent conveyances, transfers at undervalue, or other reviewable transactions under any applicable federal or provincial legislation relating to preferences, assignments, fraudulent conveyances or transfers at undervalue.

The Court will consider, among other things, the fairness and reasonableness of the Arrangement, the Noteholder approval of the Arrangement Resolution and the approval of the Asset Sale Resolution at the Shareholders' Meeting.

The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

In addition to obtaining the Final Order, the Arrangement will only be completed (including the implementation of all steps set out in the Plan of Arrangement) upon satisfaction or waiver of the Implementation Conditions to the Arrangement (see "*Plan of Arrangement*" above).

9. Arrangement Resolution

The disclosure under the heading "Arrangement Resolution" is replaced with the following:

At the Meeting Noteholders are being asked to consider, and if deemed appropriate, to adopt, with or without amendment, the Arrangement Resolution, the full text of which is set forth in Appendix "A-1" hereto, which amends and replaces Appendix "A-1" which was previously attached to the Noteholders' Circular, which if approved and effected will result in the acquisition by the Corporation of all of the outstanding Notes from the Noteholders by payment of $64 cash per $100 principal amount of Notes, including the forgiveness, settlement and extinguishment of any accrued and outstanding interest owed to the Noteholders on the Notes.

In order for the Arrangement Resolution to be passed, it must be proposed at a meeting of Noteholders duly convened for that purpose and held in accordance with the terms of the Interim Order wherein Noteholders holding not less than 25% of the principal amount of the Notes outstanding are present or represented by proxy. An affirmative vote of a majority in number of the votes cast by Noteholders present virtually or represented by proxy at such duly constituted Meeting, and at least three-quarters (75%) in value of the votes cast by the Noteholders present virtually or represented by proxy at the Meeting is required.

Noteholders are encouraged to read the full text of the Arrangement Resolution.

10. CONSENT OF STEPHENAVENUE SECURITIES INC.

The disclosure under the heading "CONSENT OF STEPHENAVENUE SECURITIES" is replaced with the following:

We hereby consent to the references to our firm's Fairness Opinion dated October 29, 2021 (the "**Fairness Opinion**") under "*Fairness Opinion*" in the management information circular of Nabis Holdings Inc. dated November 15, 2021 (the "**Circular**"), and to the references therein to our firm name and to the inclusion of the Fairness Opinion in the Circular and the filing of the Fairness Opinion with the Supreme Court of British Columbia.

Toronto, Canada November 15, 2021

APPENDIX A-1

FORM OF NOTEHOLDERS' ARRANGEMENT RESOLUTION

"**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT**:

the arrangement (as the same may be, or may have been, amended, modified or supplemented, the "**Arrangement**") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") of Nabis Holdings Inc. (the "**Corporation**"), as more particularly described and set forth in the management information circular of the Corporation dated September 8, 2021 and amended by the supplement to the noteholders' circular dated November 15, 2021 (the "**Circular**") accompanying the notice of this meeting, be and is hereby authorized, approved and adopted;

the plan of arrangement of the Corporation (as the same may be, or may have been, amended, modified or supplemented (the "**Plan of Arrangement**")), the full text of which is set out in Appendix "A-3" to the Circular, is hereby authorized, approved and adopted;

the Corporation be and is hereby authorized to apply for a final order from the Supreme Court of British Columbia (the "**Court**") to approve the Arrangement on the terms set forth in the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular);

notwithstanding the passing of this resolution or the passing of similar resolutions or the approval of the Court, the management of the Corporation, without further notice to, or approval of, the securityholders of the Corporation, is hereby authorized and empowered to (A) amend, modify or supplement the Arrangement, to the extent permitted by the Plan of Arrangement, the Support Agreements (as defined in the Circular), the Share Purchase Agreement (as defined in the Circular), and (B) subject to the terms of the Arrangement and the Support Agreements, to determine not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA;

any one director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation (whether under corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, articles of arrangement and any and all other documents, agreements and instruments and to perform, or cause to be performed by, such other acts and things, as in such person's opinion may be necessary or desirable to give full effect to these resolutions and the matters authorized hereby, including the transactions required and/or contemplated by the Arrangement, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the doing of any such act or thing; and

all actions heretofore taken by or on behalf of the Corporation in connection with any matter referred to in any of the foregoing resolutions which were in furtherance of the Arrangement

are hereby approved, ratified and confirmed in all respects.

PLAN OF ARRANGEMENT

SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF A PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF NABIS HOLDINGS INC. AND INVOLVING NABIS (US) CORP., NABIS AZ LLC, NABIS ARIZONA PROPERTY, LLC, NABIS JOINT VENTURES, AZ, LLC, NABOS HEMP HOLDINGS, LLC, NABIS HOLDINGS WASHINGTON, LLC AND 0896323 B.C. LTD., AND HOLDERS OF 5.3% SENIOR UNSECURED NOTES DUE 2023 OF NABIS HOLDINGS INC.

NABIS HOLDINGS INC.

PLAN OF ARRANGEMENT

NOVEMBER 15, 2021

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PLAN OF ARRANGEMENT

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated:

"**Arrangement**" means an arrangement under Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in this Plan, subject to any amendments or variations thereto made in accordance with Section 6.5 of this Plan and the Support Agreements or made at the direction of the Court in the Interim Order or the Final Order and with the consent of the Company and the Requisite Consenting Parties, each acting reasonably.

"**BCBCA**" means the *Business Corporations Act*, SBC 2002, c 57, as amended.

"**BCBCA Proceedings**" means the proceedings commenced by the Petitioner under the BCBCA in connection with this Plan.

"**Business Day**" means any day, other than a Saturday, Sunday or a statutory or civic holiday, on which banks are generally open for business in Toronto, Ontario, or Vancouver, British Columbia.

"**Caravel Stock Purchase Agreement**" means the Stock Purchase Agreement dated August 23, 2021 and amended on October 7, 2021 made between the Company and Caravel CAD Fund Ltd.

"**CDS**" means the CDS Clearing and Depository Services Inc. and its successors and assigns.

"**Circular – Note Holders**" means the notice for the Unsecured Note Holders' Meeting, and accompanying management information circular, including all schedules, appendices, exhibits and supplements (including the November *, 2021 Supplement (the "**November Circular Supplement")** to, and information incorporated by reference in, such management information circular, to be sent by the Company to the Unsecured Note Holders in connection with the Unsecured Note Holders' Meeting, in form and substance acceptable to the Company and, to the extent applicable, the Requisite Consenting Parties.

"**Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against the applicable Persons, or any of them, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any claim made or asserted against the applicable Persons, or any of them, through any

affiliate, subsidiary, associated or related Person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative or regulatory tribunal), cause or chose in action, whether existing at present or commenced in the future.

"**Closing Certificate**" means a certificate in the form attached hereto as Appendix "A" which, when signed by an authorized representative of the Company, each of the Initial Supporting Unsecured Note Holders**,** will constitute acknowledgment by such Persons that this Plan has been implemented to their respective satisfaction.

"**Company**" means Nabis Holdings Inc.

"**Company Advisors**" means Chun Law Professional Corporation, Irwin Lowy LLP and Miller Titerle Law Corporation.

"**Court**" means the Supreme Court of British Columbia.

"**DTC**" means the Depository Trust & Clearing Corporation and its successors and assigns.

"**Effective Date**" means the date shown on the Closing Certificate.

"**Effective Time**" means the time on the Effective Date specified as the "Effective Time" on the Closing Certificate.

"**Final Order**" means the Order of the Court approving the Arrangement under Section 291 of the BCBCA, which shall include such terms as may be necessary or appropriate to give effect to the Arrangement and this Plan, in form and substance acceptable to the Company and the Requisite Consenting Parties, each acting reasonably.

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory, state, municipality or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Guarantors**" means the guarantors as defined in the Indenture, being collectively, Nabis (US) Corp., Nabis AZ LLC, Nabis Arizona Property, LLC, Nabis Joint Ventures, AZ, LLC, Nabis Hemp Holdings, LLC, and Nabis Holdings Washington, LLC.

"Indenture" means the Senior Unsecured Notes Indenture dated as of January 26, 2021 among the Company, as Issuer, the Guarantors party thereto and the Trustee (including all annexes, exhibits and schedules thereto, as the same has been (pursuant to the First Amendment and Supplement to Senior Unsecured Notes Indenture dated as of April 1, 2021 among the Trustee and the Company), or may in the future be, amended, modified, restated, supplemented or replaced from time to time).

"**Initial Supporting Unsecured Note Holders**" means those Unsecured Note Holders who were initial signatories to the Support Agreement, which holders hold in aggregate not less than **75%** of the aggregate principal amount of Unsecured Notes held by all Unsecured Note Holders.

"**Interim Order**" means the interim Order of the Court dated September 14, 2021 and amended on September 27, 2021 in respect of the Company and the Arrangement pursuant to the BCBCA, in form and substance acceptable to the Company and the Requisite Consenting Parties, which, among other

things, calls and sets the date for the Meeting, as such order may be further amended from time to time in a manner acceptable to the Company and the Requisite Consenting Parties.

"**Intermediary**" means a broker, custodian, investment dealer, nominee, bank, trust company or other intermediary.

"**Law**" means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States, or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity, but excluding all U.S. federal and Canadian federal, provincial or territorial laws, statutes, codes, ordinances, decrees, rules and regulations which apply to the production, trafficking, distribution, processing, extraction, sale or any transactions promoting the business or involving the proceeds of marijuana (cannabis) and related substances (collectively, the "**Excluded Laws**"), provided, however, that Excluded Laws shall not include any provision of the United States. Internal Revenue Code, as amended, including, without limitation, Section 280E of such Code.

"**Meeting**" means the Unsecured Note Holders' Meeting.

"**Nabis Parties**" means, collectively, Nabis and the Guarantors and any non-Guarantor subsidiaries of Nabis.

"**Order**" means any order of the Court in the BCBCA Proceedings.

"**Person**" is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Government Entity or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status.

"**Petitioner**" means the Company.

"**Plan**" means this plan of arrangement and any amendments, modifications or supplements hereto made in accordance with the terms hereof and the Support Agreements or made at the direction of the Court in the Interim Order or Final Order and with the consent of the Company and the Requisite Consenting Parties, each acting reasonably;

"**Record Date**" means August 24, 2021;

"**Requisite Consenting Parties**" means each of the Initial Supporting Unsecured Note Holders.

"**Support Agreements**" means the Support Agreements made as of October 7, 2021 among the Noteholders executing the Support Agreements as the "Noteholder" (as defined in that agreement), (including, for certainty, the term sheet appended thereto), as may be amended or supplemented from time to time pursuant to its terms.

"**Transfer Agent**" means Odyssey Trust Company.

"Trustee" means Odyssey Trust Company, as Trustee for the Unsecured Note Holders, under the Indenture.

"**Unsecured Note Documents**" means, collectively, (i) the Indenture, including the Guarantees (as defined in the Indenture), the Unsecured Notes, and ancillary agreements entered into by the Company and any Guarantor to which the Trustee or any Unsecured Note Holder is a party or a beneficiary, and (ii) all related documentation, including, without limitation, all certificates and other instruments, related to the foregoing.

"**Unsecured Note Holders**" means the holders of Unsecured Notes, in their capacity as such, and their permitted successors and assigns.

"**Unsecured Note Holder Claim**" means any Claim of an Unsecured Note Holder for any liabilities, duties and obligations, including, without limitation, principal and interest, any make whole, redemption or similar premiums, reimbursement obligations, fees, penalties, damages, guarantees, indemnities, costs, expenses or otherwise, and any other liabilities, duties or obligations, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with the Unsecured Notes or any other Unsecured Note Document.

"**Unsecured Note Indebtedness**" means, collectively, all of the obligations, indebtedness and liabilities of the Company and any other Nabis Party to the Unsecured Note Holders.

"**Unsecured Note Holders' Arrangement Resolution**" means the resolution of the Unsecured Note Holders relating to the Arrangement to be considered at the Unsecured Note Holders' Meeting, substantially in the form attached as Appendix "A-1" to the November Circular Supplement.

"**Unsecured Note Holders' Meeting**" means the meeting of the Unsecured Note Holders as of the Record Date to be called and held pursuant to the Interim Order for the purpose of considering and voting on the Unsecured Note Holders' Arrangement Resolution and to consider such other matters as may properly come before such meeting and includes anyadjournment(s) or postponement(s) of such meeting.

"**Unsecured Notes**" means the 5.3% Senior Unsecured Notes due 2023 issued under the Indenture.

1.2 Certain Rules of Interpretation

For the purposes of this Plan:

(a) Unless otherwise expressly provided herein, any reference in this Plan to an instrument, agreement or an Order or an existing document or exhibit filed or to be filed means such instrument, agreement, Order, document or exhibit as it may have been or may be amended, modified, or supplemented in accordance with its terms;

(b) The division of this Plan into Articles and Sections is for convenience of reference only and does not affect the construction or interpretation of this Plan, nor are the descriptive headings of Articles and Sections intended as complete or accurate descriptions of the content thereof;

(c) The use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of this Plan to such Person (or Persons) or circumstances as the context otherwise permits;

(d) The words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

(e) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends;

(f) Unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Government Entity includes all regulations made thereunder, all amendments to or re- enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

(g) References to a specific Recital, Article or Section shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this Plan, whereas the terms "this Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to this Plan and not to any particular Recital, Article, Section or other portion of this Plan and include any documents supplemental hereto; and

(h) The word "or" is not exclusive.

1.3 Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

1.4 Currency

Unless otherwise stated, all references in this Plan to sums of money are expressed in, and all payments provided for herein shall be made in, Canadian Dollars**.**

1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by a Person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 Time

Time shall be of the essence in this Plan. Unless otherwise specified, all references to time expressed in this Plan and in any document issued in connection with this Plan mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day.

ARTICLE 2
THE ARRANGEMENT

2.1 Treatment of Unsecured Note Holders

(a) On the Effective Date and in accordance with the steps and sequence as set forth in Section 4.3:

(i) the Company will acquire all of the outstanding Unsecured Notes for an amount equal to $64 for each $100 principal amount of Unsecured Notes outstanding, which shall, and shall be deemed to, be received in full and final settlement of all Unsecured Notes, Unsecured Note Indebtedness and Unsecured Note Holder Claims; and

(ii) any and all accrued and unpaid interest owing to each Unsecured Note Holder**,** shall

be forgiven, settled and extinguished for no consideration.

(b) Except as otherwise noted herein, all references to the principal amount of the Unsecured Notes or the Unsecured Note Claims contained in this Plan shall refer to the principal amount of such Unsecured Notes or Unsecured Note Claims, if applicable, reduced by any unamortized original issue discount and excluding any make whole premiums, redemption premiums or other similar premiums.

(c) Without limiting the generality of the foregoing, other than pursuant to sections 2.1(a), no payment of any kind, including of principal, interest, default interest, excess interest, compound interest, special interest, additional amounts, fees, expenses, costs, charges, make-whole payments, penalties or any such other similar amounts, whether imposed in connection with a default, payment failure or a prepayment or otherwise, shall be payable to the Unsecured Note Holders pursuant to the Unsecured Notes, the Indenture, any other Unsecured Note Document or otherwise.

(d) After giving effect to the terms of this Section 2.1, the Unsecured Note Indebtedness, and obligations of the Nabis Parties with respect or in any way related to, the Unsecured Notes, and the Unsecured Note Documents shall, and shall be deemed to, have been settled, satisfied and discharged and irrevocably and finally terminated, extinguished and cancelled, the whole without the need for any further payment or otherwise, and each Unsecured Note Holder shall have no further right, title or interest in or to, or recourse against the Company or any other Nabis Party with respect to, the Unsecured Notes, the Unsecured Note Indebtedness or its Unsecured Note Holder Claim, and the Unsecured Notes and the Unsecured Note Documents shall be cancelled and thereupon be null and void, and, for greater certainty, any and all security interests granted by any of the Nabis Parties in respect of the Unsecured Notes or Unsecured Note Documents or Unsecured Note Claims shall be, and shall be deemed to be, released, discharged and extinguished. The Trustee shall be discharged and released under the Indenture. If requested by the Company, the Trustee is authorized and directed to execute and deliver such documents reasonably requested by the Company to evidence the settlement, termination, extinguishment, cancellation and satisfaction and discharge described in this section.

ARTICLE 3
PAYMENTS

3.1 Purchase of Unsecured Notes

On the Effective Date, Nabis will purchase, and each of the Unsecured Note Holders will sell, all of the outstanding Unsecured Notes for a purchase price equal to $64 for each $100 principal amount of Unsecured Notes outstanding, which shall, and shall be deemed to, be received in full and final settlement of the Unsecured Notes, Unsecured Note Indebtedness and Unsecured Note Holder Claims. The transfer of Unsecured Notes pursuant to this Plan shall be free and clear of any lien or encumbrance, restriction, adverse claim or other claim of any third party of any kind.

3.2 Delivery of Payment to Unsecured Note Holders

The payment by the Company on the Effective Date of the purchase price for the Unsecured Notes, shall be effected through the delivery of the applicable portion of such amounts by the Company to the Trustee for distribution, (a) in the case of amounts payable to registered Unsecured Note Holders, to each of the registered Unsecured Note Holders pursuant to standing instructions and customary practices of the Trustee, and (b) in the case of amounts payable to beneficial Unsecured Note Holders, through the facilities of DTC or CDS to Intermediaries, who, in turn, will make delivery of such amounts to the ultimate beneficial recipients pursuant to

standing instructions and customary practices of such Intermediaries, or, in each case, in such other manner as may be agreed by the Company and the recipient of such payments in writing.

3.3 No Liability in respect of Payment

(a) None of the Nabis Parties, nor their respective directors or officers, shall have any liability or obligation in respect of any payment, directly or indirectly, from: (i) the Trustee, or (ii) DTC or CDS, (iii) any Intermediaries; or (iv) any other duly appointed agent, in each case to the ultimate beneficial recipients of any consideration payable or deliverable by the Company pursuant to this Plan.

(b) The Trustee shall not incur, and is hereby released and exculpated from, any liability as a result of carrying out any provisions of this Plan and any actions related or incidental hereto, save and except for any gross negligence or wilful misconduct (as determined by a final, non-appealable judgment of a court of competent jurisdiction) on its part. For the avoidance of doubt, this exculpation shall be in addition to, and not in limitation of, all other releases, indemnities and exculpations, and any other applicable law or rules protecting the Trustee from liability. On the Effective Date after the completion of the transactions set forth in Section 4.3, all duties and responsibilities of the Trustee and arising under or related to the Indenture or any other Unsecured Note Document, as applicable, shall be discharged except to the extent required in order to effectuate this Plan.

3.4 Surrender and Cancellation of Unsecured Notes

On the Effective Date, each of the Unsecured Note Holders shall surrender, or cause the surrender of, any Definitive Note (as defined in the Indenture), or, if applicable, other certificate, representing the Unsecured Notes held or beneficially owned by the Unsecured Note Holders to the Trustee for cancellation in exchange for the consideration payable to Unsecured Note Holders under Section 2.2. To the extent Unsecured Notes are held by the Trustee as custodian for DTC or CDS (or their respective nominee) (as registered holder of Unsecured Notes on behalf of the Unsecured Note Holders), on the Effective Date, DTC or CDS, as applicable, shall surrender, or cause the surrender of, any Definitive Notes, or, if applicable, other certificate(s), representing the Unsecured Notes to the Trustee for cancellation in exchange for the consideration payable to Unsecured Note Holders pursuant to Section 2.1.

3.5 Application of Plan Distributions

To the extent applicable, all amounts paid or payable hereunder on account of the Unsecured Note Holder Claims shall be applied in a manner acceptable to the Company and the Initial Supporting Unsecured Note Holders.

3.6 Withholding Rights

The Company and, if applicable, any other Person making a payment contemplated under this Plan, shall be entitled to deduct and withhold from any consideration or other amount deliverable or otherwise payable to any Person hereunder such amounts as the Company, or such Person, is required to deduct or withhold with respect to such payment under any applicable Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the relevant Person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity.

ARTICLE 4 IMPLEMENTATION

4.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of the Company will occur and be effective as of the Effective Date (or such other date as the Company and the Requisite Consenting Parties may agree, each acting reasonably), and will be authorized and approved under this Plan and by the Court, where appropriate, as part of the Final Order, in all respects and for all purposes without any requirement of further action by Unsecured Note Holders, shareholders, directors or officers of the Company. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Company and from the Unsecured Note Holders.

4.2 Fractional Payment

All payments made pursuant to this Plan shall be made in minimum increments of $0.01, and the amount of any payments to which a Person may be entitled to under this Plan shall be rounded down to the nearest multiple of $0.01, without compensation therefor.

4.3 Effective Date Transactions

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order, in an uninterrupted sequence, in five minute increments (unless otherwise indicated) and at the times set out in this Section 4.3 (or in such other manner or order or at such other time or times as the Company and the Requisite Consenting Parties may agree, each acting reasonably), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

(a) The following shall occur concurrently (unless otherwise indicated):

(i) any and all accrued and unpaid interest owing to each Unsecured Note Holder**,** shall be forgiven, settled and extinguished for no consideration; and

(ii) the aggregate outstanding principal amount of each Unsecured Note Holder's Unsecured Notes will be acquired by the Company in consideration of the payment to such Unsecured Note Holder of an amount equal to $64 for each $100 principal amount of Unsecured Notes outstanding held by such Unsecured Note Holder, in full and final settlement of such Unsecured Notes, the Unsecured Note Indebtedness and the Unsecured Note Holder Claim of such Unsecured Note Holder, and the remaining amount of the aggregate outstanding principal amount of each Unsecured Note Holder's Unsecured Notes, shall be forgiven, settled and extinguished.

(b) Concurrently with the payment, forgiveness, settlement and extinguishment in accordance with Section 4.3(a):

(i) the Unsecured Note Indebtedness and Unsecured Note Holder Claims and the obligations of the Nabis Parties with respect to or in any way related to, the Unsecured Notes or Unsecured Note Claims shall, and shall be deemed to have been, settled, satisfied and discharged and irrevocably and finally terminated, extinguished and cancelled, the whole without the need for any further payment or otherwise, and each Unsecured Note Holder shall have no further right, title or interest in and to, or recourse against the Company or any other Nabis Party with respect to, the Unsecured Notes, the Unsecured Note Indebtedness or its Unsecured Note Holder Claim;

(ii) the Unsecured Notes and the other Unsecured Note Documents shall be cancelled and thereupon be null and void, provided that the Unsecured Note Documents shall remain in effect solely to allow the Company, as necessary, to make the payments set forth in this Plan;

(iii) the Trustee shall be discharged and released under the Indenture;

(iv) for greater certainty, any and all security interests granted by any of the Nabis Parties in respect of the Unsecured Notes, Unsecured Note Liabilities or Unsecured Note Claims shall be, and shall be deemed to be, released, discharged and extinguished; and

(v) if requested by the Company, the Trustee is authorized and directed to execute and deliver such documents reasonably requested by the Company to evidence the settlement, termination, extinguishment, cancellation and satisfaction and discharge described in this section.

(c) On or after the Effective Date, the Company shall pay in full, the Trustee fees incurred by the Trustees, whether prior to or after the commencement of the BCBCA Proceedings (the "**Trustee Fees**") incurred through to the Effective Date, and thereafter the Company shall pay in full Trustee Fees incurred from and after the Effective Date in connection with the implementation of this Plan.

(d) On or after the Effective Date, the Company shall pay in full in cash the outstanding reasonable and documented fees and expenses of the Company Advisors pursuant to the terms and conditions of applicable fee arrangements entered into by the Company with such advisors.

4.4 Other Steps and Formality

a) The Company may, by way of supplement to this Plan and in accordance with section 7.5, (i) modify the order of certain steps and transactions set out in section 4.3 or (ii) undertake such other steps or transactions necessary or desirable in connection with this Plan, in either case, in such manner and on such date and time as determined by the Company and the Initial Supporting Unsecured Note Holders, acting reasonably.

b) All steps and transactions to be implemented pursuant to this Plan shall be effective without any requirement of further action, formality, consent or approval by or from any Person, including the Unsecured Note Holders, shareholders, directors or officers of any of the Company.

ARTICLE 5
CONDITIONS PRECEDENT AND IMPLEMENTATION

5.1 Conditions to Plan Implementation

The implementation of this Plan shall be conditional upon the fulfillment, satisfaction or waiver (to the extent permitted by Section 5.2) of the following conditions:

a) The Unsecured Note Holders' Arrangement Resolution shall have been approved at the Meeting in accordance with the provisions of the Interim Order;

b) The Court shall have granted the Final Order, the implementation, operation or effect of which shall not have been stayed, reversed, varied or amended in a manner not acceptable to the Company or the Requisite Consenting Parties, vacated or subject to a pending appeal, or

in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;

c) No Law shall have been passed and become effective, the effect of which makes the consummation of this Plan illegal or otherwise prohibited;

d) There shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no bona fide and pending application shall have been made to any Governmental Entity, and no action or investigation shall have been announced or commenced by any Governmental Entity, in consequence of or in connection with the Arrangement that restrains or impedes in any material respect or prohibits (or if granted would reasonably be expected to restrain or impede in any material respect or prohibit), the Arrangement or any material part thereof or requires a material variation from the form of the Arrangement contemplated herein;

e) All conditions to implementation of this Plan set out in the Support Agreement shall have been satisfied or waived in accordance with their terms and the Support Agreement shall not have been terminated and the Nabis Parties and Requisite Consenting Parties shall have delivered a Closing Certificate respecting same;

f) All required governmental, regulatory and judicial consents, and any other required third party consents shall have been obtained, except for such third party consents which if not obtained would not individually or in the aggregate have a material adverse effect on the Company; and

g) All conditions to implementation of this Plan, and to completion of the sale by the Company of shares of Verano Holdings Corp. held by the Company to Caravel CAD Fund Ltd set out in the Caravel Stock Purchase Agreement shall have been satisfied or waived in accordance with their terms and the Caravel Stock Purchase Agreement shall not have been terminated, and the sale by the Company of such shares shall have been completed subject to and in accordance with the terms of such agreement.

5.2 Waiver of Conditions

The Company and the Requisite Consenting Parties, upon unanimous agreement, may at any time and from time to time waive the fulfillment or satisfaction, in whole or in part, of the conditions set out herein, to the extent and on such terms as such parties may agree, each acting reasonably, provided however that the conditions set out in Sections 5.1(a), (b), (c) and (d) cannot be waived.

5.3 Effectiveness

This Plan will become effective in the sequence described in Section 4.3 on the execution of the Closing Certificate, and shall be binding on and enure to the benefit of the Nabis Parties, the Unsecured Note Holders, the directors and officers of the Nabis Parties and all other Persons named or referred to in, or subject to, this Plan and their respective successors and assigns and their respective heirs, executors, administrators and other legal representatives, successors and assigns. The Closing Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions in Section 4.3 has become effective in the sequence set forth therein. No portion of this Plan shall take effect with respect to any party or Person until the Effective Time.

ARTICLE 6
GENERAL

6.1 Deemed Consents, Waivers and Agreements

At the Effective Time:

(a) each Unsecured Note Holder shall be deemed to have consented and agreed to all of the provisions of this Plan in its entirety;

(b) each Nabis Party and Unsecured Note Holder shall be deemed to have executed and delivered to the other parties all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety; and

(c) all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety shall be deemed to have been executed and delivered to the Nabis Parties.

6.2 Waiver of Defaults

From and after the Effective Time, all affected Persons shall be deemed to have consented and agreed to all of the provisions of this Plan in its entirety. Without limiting the foregoing, all affected Persons shall be deemed to have:

a) waived any and all defaults or events of default or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, licence, guarantee, agreement for sale or other agreement, written or oral, in each case relating to, arising out of, or in connection with the Unsecured Notes, the Unsecured Note Documents, the Support Agreement, the Arrangement, this Plan, the transactions contemplated hereunder and any proceedings commenced with respect to or in connection with this Plan and any and all amendments or supplements thereto. Any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection with any of the foregoing shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Nabis Parties and their respective successors from performing their obligations under this Plan; and

b) agreed that, if there is any conflict between the provisions of any agreement or other arrangement, written or oral, existing between such Person and the Nabis Parties and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are deemed to be amended accordingly.

6.3 Paramountcy

From and after the Effective Date, any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, by-laws or other agreement, written or oral, and any and all amendments or supplements thereto existing between one or more of the Unsecured Note Holders, on the one hand, and any of the Nabis Parties, on the other hand, as at the Effective Date shall be deemed to be governed by the terms, conditions and provisions of this Plan and the Final Order, which shall take precedence and priority.

6.4 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

6.5 Modification of Plan

Subject to the terms and conditions of the Support Agreement:

a) the Company reserves the right to amend, restate, modify or supplement this Plan at any time and from time to time, provided that (except as provided in subsection (c) below) any such amendment, restatement, modification or supplement must be contained in a written document that is (i) filed with the Court and, if made following the Meetings, approved by the Court, (ii) agreed to by each of the Requisite Consenting Parties, and (iii) communicated to the Unsecured Note Holders in the manner required by the Court (if so required);

b) any amendment, modification or supplement to this Plan may be proposed by the Company, with the consent of each of the Requisite Consenting Parties, at any time prior to or at the Meeting, with or without any prior notice or communication (other than as may be required under the Interim Order), and if so proposed and accepted at the Meeting, shall become part of this Plan for all purposes; and

c) any amendment, modification or supplement to this Plan may be made following the Meeting by the Company, with the consent of each of the Requisite Consenting Parties, and without requiring filing with, or approval of, the Court, provided that it concerns a matter which is of an administrative nature and is required to better give effect to the implementation of this Plan and is not materially adverse to the financial or economic interests of any of the Unsecured Note Holders.

6.6 Notices

Any notice or other communication to be delivered hereunder must be in writing and refer to this Plan and may, as hereinafter provided, be made or given by personal delivery, ordinary mail or email addressed to the respective parties as follows:

a) If to the Petitioner, or any other of the Nabis Parties, at:

Nabis Holdings Inc.

7-B Pleasant Blvd., Suite 978
Toronto, ON, M4T 1K2

Attention: Bruce Langstaff
Email: blangstaff@nabisholdings.com

b) If to Caravel CAD Fund Ltd.

Old Fort Bay Town Centre
Unit 7, Building 2
Nassau, New Providence
The Bahamas

Attention: Glen Gibbons, Director

With a copy to:

Bennett Jones LLP
First Canadian Place
100 King Street West
suite 3400

Toronto, Ontario
M5X 1A4

Attention: Kristopher Hanc
Email: hanck@bennettjones.com

or to any of the Initial Supporting Holders to such addresses as set out in the register of Noteholders held by the Company or to such other address as any party above may from time to time notify the others in accordance with this Section 6.6. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by email and any notice or other communication given or made by prepaid mail within the five Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. Any such notices and communications so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of emailing, provided that such day in either event is a Business Day and the communication is so delivered or emailed before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. The unintentional failure by the Petitioners to give a notice contemplated hereunder to any particular Unsecured Note Holder shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

6.7 Different Capacities

Subject to the Support Agreement and the Interim Order, if any Person holds more than one type, series or class of Unsecured Notes, as the case may be, such Person shall have all of the rights given to a holder of each particular type, series or class of Unsecured Notes so held. Subject to the Support Agreement and the Interim Order, nothing done by a Person acting in its capacity as a holder of a particular type, series or class of Unsecured Notes, as the case may be, affects such Person's rights as a holder of another type, series or class of Unsecured Notes.

6.8 Further Assurances

a) Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan without any further act or formality, each of the Persons named or referred to in, affected by or subject to, this Plan will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.

b) Without limiting any other provision in this Plan, to the extent that there may be any security registrations or statements made or security interests or liens pursuant to or in connection with the Unsecured Notes or other Unsecured Note Documents, the Nabis Parties and the Trustee, and any of their respective agents, designees or assigns shall be authorized and directed to take such steps and prepare, execute and submit such forms and documents, and complete such filings as are necessary to effectuate or evidence or effectuate and evidence the full and final discharge and release of any and all such security registrations or statements and the full and final discharge and release of any and all security interests and liens upon any and all of the property and assets of the Nabis Parties created pursuant to or in connection with the Unsecured Notes or any other Unsecured Note Document in any jurisdiction in which the Nabis Parties have property or assets or conduct business, and each Unsecured Note Holder shall be deemed to have consented and agreed to all such steps and actions.

APPENDIX "A"
FORM OF CLOSING CERTIFICATE

RE: Support Agreement dated October 7, 2021 among the person executing the Support Agreement as the "Noteholder" and Nabis Holdings Inc. (the "Support Agreement")

Defined terms used but not defined in this certificate shall have the meanings ascribed thereto in the Support Agreement, or the Plan of Arrangement (as defined in the Support Agreement).

Each of the undersigned hereby confirms that the undersigned is satisfied that the conditions precedent to its respective obligations to complete the Arrangement have been satisfied and that the Arrangement is completed as of____(am/pm Vancouver time) (the "**Effective Time**") on
_______________ (the "**Effective Date**").

[signatures pages follow]

[Signatures to be added]

STEPHENAVENUE SECURITIES INC

402 - 217 QUEEN ST. W. TORONTO, ONTARIO M5V 0R2
MAIN: 416.479.4471 | TOLL-FREE: 1 844.540.2018

October 29, 2021

Mr. Scott Kelly and The Independent Members of the Board of Directors Nabis Holdings Inc.
7-B Pleasant Blvd. Suite 978, Toronto ON M4T 1K2

To the Independent Members of the Board of Directors of Nabis Holdings Inc.:

Re: Fairness Opinion

StephenAvenue Securities Inc. ("**SAS** or "**we**" or "**us**") understands that Nabis Holdings Inc. ("**Nabis**" or the "**Company**") proposes to sell all its holdings in Verano Holdings Corp. (the "**Asset Sale**") and acquire all of the outstanding Unsecured Notes of Nabis (the "**Notes**"), pursuant to the Plan of Arrangement under the *Business Corporations Act* (British Columbia) (the "**Arrangement**"). Pursuant to the Arrangement, each holder of $100 principal amount of Unsecured Notes will be entitled to receive $64.00. Completion of the Arrangement is subject to approval of the Unsecured Note Holders (the "**Noteholders**"), approval by the Supreme Court of British Columbia, and other customary conditions, including, without limitation, receipt of all required regulatory approvals. Shareholder approval for the Asset Sale and the Arrangement was received on September 28, 2021 at the Company's Annual and Special Shareholder Meeting. The terms of, and conditions necessary to complete the Arrangement are more fully set forth in the Plan of Arrangement and are described in the Management Information Circular of the Company (the "**Circular**") deemed to be mailed to the Noteholders on September 15, 2021 in connection with the special meeting of the Noteholders to be held to consider and vote upon the approval of the Arrangement (the "**Company Meeting**"). Further details of the Arrangement are expected to be summarized in a supplement to the Circular to be filed by the Company on the System for Electronic Document Analysis and Retrieval ("**SEDAR**").

Nabis has retained SAS as independent financial advisor ("**Financial Advisor**") to the Board of Directors of the Company (the "**Board**") to provide the Company with an Opinion as to the fairness, from a financial point of view, to the Noteholders and Shareholders of the Company of the proposed Arrangement (the "**Opinion**"). SAS has not been engaged to prepare, and has not prepared, a formal valuation of Nabis or any of the securities or assets thereof and our Opinion should not be construed as a "formal valuation".

ENGAGEMENT OF STEPHENAVENUE SECURITIES INC.

SAS was formally engaged by Nabis pursuant to an agreement dated August 20, 2021 and updated again on October 14, 2021 (the "**Engagement Agreement**"). Under the terms of the Engagement Agreement, SAS agreed to provide the Opinion, first delivered orally and then in writing, to the Board as to the fairness, from a financial point of view to the Shareholders and of the consideration to be received by the Noteholders, pursuant to the Arrangement.

SAS will receive a fixed flat fee for rendering the Opinion. This fee is not conditional upon the Opinion's conclusion or the completion of the Arrangement. Nabis has also agreed to reimburse SAS for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise from SAS' engagement.

CREDENTIALS OF STEPHENAVENUE SECURITIES INC.

SAS is an independent Canadian wealth management and capital markets firm offering investment advice, trading and corporate finance and advisory services to a range of institutions, corporations, and retail investors. SAS has extensive experience valuing both public and private companies and has significant experience in preparing valuations. The Opinion expressed herein represents the Opinion of SAS and its form and content have been approved for release by a review committee consisting of individuals who are experienced in merger, acquisition, divesture, fairness/valuation opinions and market matters.

INDEPENDENCE OF STEPHENAVENUE SECURITIES INC.

Neither SAS, nor its affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (British Columbia)) of Nabis, or any of their respective associates or affiliates (collectively, the "**Interested Parties**").

SAS has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than as Financial Advisor pursuant to the Engagement Agreement.

There are no understandings, agreements or commitments between SAS and Nabis, or any other Interested Party, with respect to any future business dealings. SAS may, in the future, in the ordinary course of business, perform financial advisory or investment banking services for Nabis or any other Interested Party.

SAS acts as a securities trader and dealer, both as principal and agent, in major financial markets and, as such, may have had, may have, and may in the future have long or short positions in the securities of Nabis, or other Interested Parties and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it may have received or may receive compensation. As an investment dealer, SAS conducts research on securities and may, in the ordinary course of business, provide investment advice to its clients on investment matters, including with respect to Nabis and the Arrangement.

SCOPE OF REVIEW

SAS has been retained by Nabis to provide this Opinion as to the fairness, from a financial point of view of the consideration to be received by Noteholders, pursuant to the Arrangement. In this context, and for the purposes of preparing the Opinion, SAS has analyzed financial reports, and other information relating to Nabis, including information derived from discussions with the management of the Company.

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1) draft Share Purchase Agreement and First Amendment to Share Purchase Agreement (dated October 7, 2021) and draft Plan of Arrangement available as at August 20, 2021;
2) support Agreements signed by various holders of the 5.3% Senior Unsecured Notes;
3) certain publicly available financial statements, Annual Information Forms, continuous disclosure documents and other information of Nabis, including but not limited to:
    a) Nabis' consolidated interim financial statements for the three months ended March 31, 2021;
    b) Nabis' management discussion and analysis for the three months ended March 31, 2021;
    c) Nabis' draft consolidated interim financial statements for the quarter ended June 30, 2021;

d) Nabis' audited annual consolidated financial statements and management discussion and analysis for the fiscal year ended December 31, 2021;

e) Nabis' annual information form for the year ended December 31, 2021;

f) discussions with Nabis' CEO and Director to the Company;

g) discussions with the largest debenture holder and purchaser of Nabis' principal asset;

h) analysis of value received in comparison to alternatives on sale of principal assets being sold as part of this Plan of Arrangement;

4) the Circular, including the affidavit of the Executive Chairman of Nabis filed with the Supreme Court of British Columbia in the matter of the Plan of Arrangement appended thereto;

5) such other information, analyses, investigations, and discussions as we considered necessary or appropriate in the circumstances.

In addition to the above, SAS further considered, among other things, the following matters:

1) the Company is in default of its unsecured obligations;

2) liquidation of the Company's sole material asset by way of incremental sale of the Verano Shares on the CSE would likely result in materially less proceeds for the satisfaction of the Notes;

3) if the Arrangement is not approved, the Company may be required to consider bankruptcy or CCAA proceedings;

4) the Arrangement would permit continued participation by Shareholders in the Company's growth and/or future strategic initiatives while improving the Company's solvency and liquidity;

5) SAS and the Company are not aware of any other feasible alternatives that are superior to the Arrangement;

6) Shareholder approvals for the Arrangement and Share Purchase Agreement were obtained by the Company on September 28, 2021;

7) The Company has received consideration for the Share Purchase Agreement in escrow;

8) The Company and Caravel have agreed to withdraw previously announced litigation matters against one another and entered into a mutual full and final release; and

9) The Arrangement is supported by advisors and key stakeholders, including the Company's major Shareholder and Noteholder.

ASSUMPTIONS AND LIMITATIONS

SAS has not been asked to prepare and has not prepared a formal valuation of Nabis or any of its respective securities or assets, and the Opinion should not be construed as such. Subject to the foregoing, SAS has conducted such analyses as it considered necessary in the circumstances. SAS was not engaged to review or provide any legal, tax, regulatory or accounting aspects of the Arrangement, and the Opinion does not address such matters. In addition, the Opinion does not address the relative merits of the Arrangement as compared to any other transaction or the prospects or likelihood of any alternative transaction or any other possible transaction involving Nabis, its respective assets or securities. The Opinion represents an impartial expert judgment, not a statement of fact. Nothing contained herein is to be construed as a legal interpretation, an Opinion on any contract or document, or a recommendation to invest or divest, or approve or vote in favour of or against any transaction.

With the approval of the Board and as is provided for in the Engagement Agreement, SAS has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions and representations obtained by it from public sources, including SEDAR, or provided to it by or on behalf of Nabis and its directors, officers, agents and advisors or otherwise (collectively, the "**Information**") and SAS has assumed that this Information did not omit to state any material fact or any fact necessary to be stated to make that Information not misleading.

The Opinion is conditional upon the completeness, accuracy and fair presentation of such Information including as to the absence of any undisclosed material change. Subject to the exercise of professional judgment and except as expressly described herein, SAS has not attempted to independently verify or investigate the completeness, accuracy or fair presentation of any of the Information. SAS has also assumed that: (i) there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Nabis, or its respective affiliates which has not been filed on SEDAR by Nabis; and (ii) no material change has occurred in the Information or any part thereof which has not been filed on SEDAR by Nabis, in each case which would have or which would reasonably be expected to have a material effect on the Opinion.

SAS has also assumed that the final executed form of the Arrangement Agreement will not differ from the draft reviewed by us in any respect material to our analysis or this Opinion and that the consummation of the Arrangement will be effected in accordance with the terms and conditions of the Arrangement Agreement, without waiver, modification or amendment of any material term, condition or agreement, and that, in the course of obtaining the necessary regulatory or third party consents and approvals (contractual or otherwise) for the Arrangement, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Nabis or the contemplated benefits of the Arrangement.

In its analyses and in preparing the Opinion, SAS has made numerous assumptions with respect to expected industry performance, general business, economic conditions, and other matters, many of which are beyond the control of SAS or any party involved in the Arrangement. SAS has also assumed that the disclosure provided or incorporated by reference in the Circular to be filed on SEDAR by Nabis and mailed to the Shareholders in connection with the Arrangement and any other documents in connection with the Arrangement, prepared by a party to the Arrangement, will be accurate in all material respects, will comply with the requirements of all applicable laws, that all of the conditions required to implement the Arrangement will be met, and that the procedures being followed to implement the Arrangement are valid and effective.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of Nabis and its respective affiliates, as they were reflected in the Information.

The Opinion has been provided for the exclusive use of the Board of Directors of Nabis, and may not be used or relied upon by any other person. Except as contemplated herein, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without the express prior written consent of SAS. Notwithstanding the foregoing, SAS hereby consents to the reference to SAS and the description of, reference to and reproduction of the Opinion in any management information circular of Nabis. SAS will not be held liable for any losses sustained by any person should the Opinion be circulated, distributed, published, reproduced or used contrary to the provisions of the Opinion.

SAS believes that the Opinion must be considered and reviewed as a whole and that selecting portions of the analyses or factors considered by SAS, without considering all the analyses and factors together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness Opinion is a complex process and is not necessarily amenable to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The Opinion is given as of the date hereof and SAS disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to SAS's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, SAS reserves the right to change, modify or withdraw the Opinion.

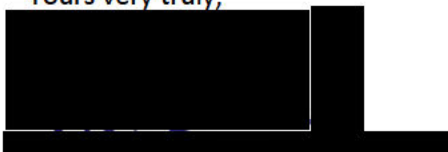
APPROACH TO FAIRNESS

In assessing whether the consideration to be received by the Noteholders and the residual value in the business pursuant to the Arrangement is fair, from a financial point of view, SAS considered and relied upon the following: (i) the superior consideration the Noteholders will receive under the Arrangement as compared to what was available to them on the open market and to the results of an asset-based analysis of Nabis; (ii) an assessment of the value received by Nabis for its shares in Verano compared to an incremental sale of these shares on the open market; and (iii) the potentially significant incremental costs and loss of value to the Company of entering bankruptcy or CCAA proceedings, if the Arrangement is not approved.

OPINION

As of October 29, 2021, the date of the Fairness Opinion, based on SAS' scope of review, assumptions and limitations, the proposed Arrangement is fair, from a financial point of view, to the Noteholders and the Shareholders.

Yours very truly,



STEPHENAVENUE SECURITIES INC.

APPENDIX A-6

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY
SEP 27 2021
ENTERED

No.S-217962
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF PART 9, DIVISION 5, SECTION 291 OF THE *BUSINESS CORPORATIONS ACT,* S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT OF NABIS HOLDINGS INC.

PETITIONER

ORDER MADE AFTER APPLICATION

BEFORE	)))	THE HONOURABLE MASTER MUIR	)))	September 27, 2021

ON THE APPLICATION of the Petitioner, Nabis Holdings Inc. ("**Company**") for an Order pursuant to its Notice of Application made on September 27, 2021, and coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on September 27, 2021, and on hearing Joelle Walker, counsel for the Petitioner, and D. Luca for Coravel CAD Fund Ltd and upon reading the Notice of Application and the Affidavit #3 of Wenxin Yu affirmed on September 24, 2021 and filed herein

THIS COURT ORDERS THAT:

1. The Noteholders' Meeting scheduled for September 27, 2021, has been properly adjourned by the Company in accordance with paragraph 23 of the Interim Order made by Master Muir and entered on September 14, 2021 ("**Interim Order**")
2. The Interim Order be amended to provide that the final approval hearing ("**Final Approval Hearing**"), set out at paragraph 34 of the Interim Order, be moved from "September 29, 2021" to:

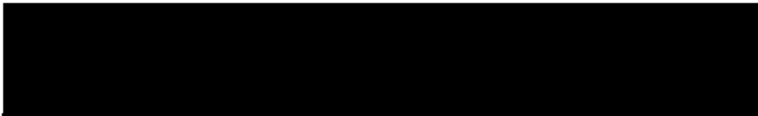
   "such further date as counsel for the Company may determine or the Court may direct"

   and that the Petitioner be at liberty to proceed with the Final Approval Hearing on that date.
3. The Interim Order at paragraph 35 be amended to provide that the date on which

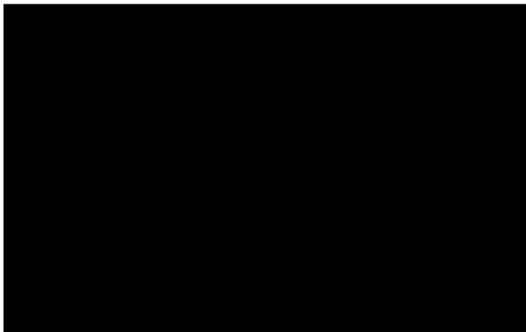
any Noteholder or other interested party is to file a Response to Petition be changed from "4:00 pm (PST) on September 27, 2021" to "4:00 pm (PST) on the date of the Noteholders' Meeting."

4. Notice of this Order may be provided to the Noteholders via a press release and filing on SEDAR within one business day of this Order being entered. This will constitute good and sufficient notice of the above-noted date changes upon all persons who are entitled to receive such, and no other form of service or delivery need be made and no other material need to be served on or delivered to such persons in respect of the Final Approval Hearing.
5. The aforementioned amendments have no impact on the other terms of the Interim Order, and all other terms of the Interim Order remain.
6. Endorsement of this Order by counsel appearing on this application other than counsel for the Petitioner is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Joelle Walker
Lawyer for Applicants



By the Court

Registrar

FORM CHECKED

No.S-217962
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF PART 9, DIVISION 5, SECTION 291 OF THE *BUSINESS CORPORATIONS ACT,* S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT OF NABIS HOLDINGS INC.

PETITIONER

ORDER MADE AFTER APPLICATION
(FINAL ORDER)

BEFORE	)))	THE HONOURABLE	)))	___________, 2021

ON THE APPLICATION of the Petitioner, Nabis Holdings Inc. ("**Company**"), dated September 8, 2021 and amended on November 12, 2021, for a Final Order pursuant to Part 9, Division 5 of the *Business Corporations Act,* S.B.C. 2002, c. 57, as amended ("***BCBCA***"), coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on December 1, 2021, and on hearing Joelle Walker, counsel for the Petitioner, and no one else appearing although notice was duly given in accordance with the Interim Order of Master Muir pronounced on September 14, 2021;

AND UPON READING:

1. The Amended Petition dated November 12, 2021;
2. the Interim Order of Master Muir made September 14, 2021;
3. the Order of Master Muir made September 27, 2021;
4. the Affidavit #1 of Bruce Langstaff, affirmed September 7, 2021 and filed on September 8, 2021;
5. The Affidavit #2 of Bruce Langstaff, affirmed September 7, 2021 and filed on September 8, 2021; and
6. The Affidavit #3 of Bruce Langstaff, affirmed November 12, 2021 and filed on November 12, 2021,

AND UPON being satisfied that

1. the Noteholders Meeting was called, held, and conducted in accordance with the Interim Order; and
2. the requisite approvals were obtained in the Noteholders' Meeting in accordance with the Interim Order,

AND UPON considering the fairness of the terms and conditions of the amended plan of arrangement ("**Plan of Arrangement")**, a copy of which is attached as Appendix "**A**" to this Order, and the transactions contemplated thereunder ("**Arrangement**") and the rights and interests of the persons affected thereby;

AND UPON FINDING that the terms of the transactions contemplated by the Arrangement are fair and reasonable, both procedurally and substantively, to the Noteholders of the Petitioner;

AND UPON IT APPEARING that adequate notice of the time and place of Hearing of this application was given to the Noteholders of the Petitioner;

AND UPON IT APPEARING that the terms and conditions of the Arrangement may properly be approved by this Honourable Court;

THIS COURT ORDERS THAT:

Definitions

1. All capitalized terms used but not otherwise defined in the body of this Order shall have the meanings given to them in the Plan of Arrangement, and if not defined in the Plan of Arrangement, in the Interim Order.

Service and Compliance

2. There has been good and sufficient service, delivery and notice of this Application, the Petition, the Interim Order, the Noteholders' Meeting, the Meeting Materials and the Plan of Arrangement to all Persons upon which service, delivery, and notice were required by the terms of the Interim Order and the *BCBCA*.

Approval of Arrangement

3. Pursuant to section 291(4)(c) of the *BCBCA*,

   a. the Court is satisfied that the Petitioner has acted, and is acting, in good faith with due diligence, and has complied with the provisions of the *BCBCA* and the Interim Order in all respects; and

   b. the terms and conditions of the Arrangement, as more particularly described in the Plan of Arrangement, are procedurally and substantively fair and

reasonable.

4. The Arrangement proposed by the Petitioner as provided in the Plan of Arrangement be and the same is hereby approved pursuant to the provisions of section 291(4) of the *BCBCA*.

5. As of the Effective Date, and as at the times and in the sequences set forth in the Plan of Arrangement, the Plan of Arrangement and all associated steps and transactions shall be binding and effective as set out in the Plan of Arrangement, and on the terms and conditions set forth in this Order, upon the Company and the Noteholders and all other persons named or referred to in, or subject to, the Plan of Arrangement.

6. From and after the Effective Date, all Persons:

   a. shall be deemed to have waived any and all defaults or events of default or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, licence, guarantee, agreement for sale or other agreement, written or oral, in each case relating to, arising out of, or in connection with, the Notes, the Unsecured Note Documents, the Support Agreements, the Arrangement, the Plan of Arrangement, the transactions contemplated hereunder and any proceedings commenced with respect to or in connection with this Plan of Arrangement and any and all amendments or supplements there to;

   b. without limiting the generality of paragraph 6(a), the Noteholders will be deemed to have irrevocably waived all defaults of the Company under the Indenture, and irrevocably consented to the variation of all necessary terms of the Indenture to allow for the acquisition of all of the Notes by the Company at a discount to their principal amount in full and final settlement of all Notes, any claim of a Noteholder for any liabilities, duties and obligations arising out of or in connection with the Notes, and any indebtedness arising out of or in connection with the Notes, and any and all accrued and unpaid interest owing to such Noteholders shall be forgiven, settled and extinguished for no consideration;

   a. any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection with any of the matters noted in paragraph 6(a) shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Company and its respective successors from performing their obligations under the Plan of Arrangement; and

   b. if there is any conflict between the provisions of any agreement or other arrangement, written or oral, existing between such Person and the Nabis Parties (as defined in the Plan of Arrangement) and the provisions of the Plan of Arrangement, the provisions of the Plan of Arrangement take precedence

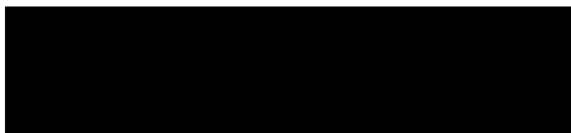
and priority and the provisions of such agreement or other arrangement are deemed to be amended accordingly.

7. From and after the Effective Date, at the time and in the sequence, as applicable, set forth in the Plan of Arrangement, the releases set forth in sections 2.1(d),3.3(b),4.3(b), 6.1 and 6.9(b) of the Plan of Arrangement shall be binding and effective as set out in the Plan of Arrangement.

8. The transactions contemplated by and to be implemented pursuant to the Plan of Arrangement shall not be void or voidable under federal or provincial law and shall not constitute and shall not be deemed to be preferences, assignments, fraudulent conveyances, transfers at undervalue, or other reviewable transactions under any applicable federal or provincial legislation relating to preferences, assignments, fraudulent conveyances or transfers at undervalue.

9. Endorsement of this Order by counsel appearing on this application other than counsel for the Petitioner is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Joelle Walker
Lawyer for Applicants

By the Court

Registrar

APPENDIX A-8

No.S-217962
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF PART 9, DIVISION 5, SECTION 291 OF THE *BUSINESS CORPORATIONS ACT,* S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT OF NABIS HOLDINGS INC.

PETITIONER

NOTICE OF HEARING OF PETITION

TO: The holders of 5.3% Senior Unsecured Notes ("**Noteholders**") of Nabis Holdings Inc. ("**Company**").

NOTICE IS HEREBY GIVEN that a Petition to the Court has been filed by the Company in the Supreme Court of British Columbia for approval, pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002 c. 57, as amended ("***BCBCA***"), of an arrangement ("**Arrangement**") contemplated in a Plan of Arrangement ("**Plan of Arrangement**") dated September 8, 2021, involving the Company and the Noteholders, and amended on November 8, 2021.

NOTICE IS FURTHER GIVEN that by an Interim Order made after Application pronounced by the Supreme Court of British Columbia on September 14, 2021 ("**Interim Order**"), the Court has given directions as to the calling of a meeting ("**Meeting**") of the Noteholders for the purpose of, among other things, considering and voting upon the special resolution to approve the Arrangement. Further directions were given by the Court by order dated September 27, 2021, which provided that:

(a) the Company could adjourn the Meeting to such further date as counsel for the Company may determine or the Court may direct; and

(b) the time to file a response to the Petition be 4:00 pm (PSAT) on the date of the Meeting.

NOTICE IS FURTHER GIVEN that if the Arrangement is approved at the Meeting, the Petitioner intends to apply to the Supreme Court of British Columbia for a final order ("**Final Order**") approving the Arrangement, declaring it to be fair and reasonable to the Noteholders, which application will be heard at the courthouse at 800 Smithe Street, Vancouver, British Columbia on December 1, 2021 at 9:45 am Pacific Standard Time ("**PST**") or as soon thereafter as the Court may direct or counsel for the

Company may be heard.

IF YOU WISH TO BE HEARD AT THE HEARING OF THE APPLICATION FOR THE FINAL ORDER OR WISH TO BE NOTIFIED OF ANY FURTHER PROCEEDINGS, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing a form entitled "Response to Petition" together with any evidence or materials which you intend to present to the Court at the Vancouver Registry of the Supreme Court of British Columbia and YOU MUST ALSO DELIVER a copy of the Response to Petition and any other evidence or materials to the Petitioner's address for delivery which is set out below, on or before 4:00 pm PST on November 29, 2021.

YOU OR YOUR SOLICITOR may file the Response to Petition. You may obtain a form of Response to Petition at the Registry. The address of the Registry is 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

IF YOU DO NOT FILE A RESPONSE TO PETITION AND ATTEND EITHER IN PERSON OR BY COUNSEL at the time of the hearing of the application for the Final Order, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court deems fit, all without further notice to you. If the Arrangement is approved, it will affect the rights of the Noteholders.

A copy of the Petition to the Court and the other documents that were filed in support of the Interim Order and will be filed in support of the Final Order will be furnished to any Noteholder upon request in writing addressed to the lawyers of the Petitioner at the address for delivery set out below:

The Petitioner's address for delivery is:

Miller Titerle Law Corporation
300 - 638 Smithe Street
Vancouver, BC V6B 1E3
Attention: Joelle Walker

This Notice of Hearing is supported by the following:

1. Affidavit #1 of Bruce Langstaff made September 7, 2021 filed herein;
2. Affidavit #2 of Bruce Langstaff made September 7, 2021 filed herein; and
3. Interim Order of Master Muir, pronounced September 14, 2021;
4. Order of Master Muir, pronounced September 27, 2021;
5. Amended Petition dated November 12, 2021 filed herein; and
6. Affidavit #3 of Bruce Langstaff made November 12, 2021 filed herein.

Pursuant to the Interim Order of Master Muir, pronounced September 14, 2021, and the Order of Master Muir, pronounced September 27, 2021,_the Hearing of the Petition is set for December 1, 2021 at 9:45 am PST before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia.

It is anticipated that this Final Application will not be contentious and will take 30

minutes.

DATED this 12th day of November 2021

____

Signature of Joelle Walker
Lawyer for Petitioner

FIRST AMENDMENT TO SHARE PURCHASE AGREEMENT

EXECUTED by the parties hereto as of the 7__ day of October, 2021.

B E T W E E N :

NABIS HOLDINGS INC.
7-B Pleasant Blvd. Suite 978
Toronto, Ontario, Canada
M4T 1K2

(hereinafter referred to as the "**Vendor**")

OF THE FIRST PART,

- and -

CARAVEL CAD FUND LTD.
Old Fort Bay Town Center
Unit 7, Building 2
Nassau, New Providence
The Bahamas

(hereinafter referred to as the "**Purchaser**")

OF THE SECOND PART.

WHEREAS the Vendor and Purchaser entered into a share purchase agreement dated August 23, 2021 (the "**Share Purchase Agreement**");

WHEREAS pursuant to an order of the Supreme Court of British Columbia (the "**Court**") made on September 14, 2021, the Court authorized the Vendor to, inter alia, call, hold and conduct a meeting of the registered holders (the "**Noteholders**"), as of August 24, 2021, of the 5.3% Senior Unsecured Notes (the "**Notes**") of the Vendor due January 25, 2023 issued under the indenture between the Vendor, Odyssey Trust Company dated January 26, 2021, amended on April 1, 2021, to be held on September 27, 2021 or such other time and location to be determined by the Vendor, provided Noteholders have due notice of the same and make such amendments to such documents as required to give effect to the plan of arrangement as further described in the Noteholders' information circular dated September 14, 2021 (the "**Interim Order**");

WHEREAS the shareholders of the Vendor approved by way of special resolution, inter alia, the sale of the Purchased Shares (as defined in the Share Purchase Agreement) at a general and special meeting of shareholders of the Vendor held on September 28, 2021 and authorized the Board of the Vendor to approve or amend any terms pertaining to the sale of the Purchased Shares (the "**Shareholders' Resolution**");

AND WHEREAS the parties hereto are effecting amendments to certain provisions

of the Support Agreement pursuant to Section 7.1 of the Share Purchase Agreement, which requires written and signed amendments in order to amend and supplement the Support Agreement in the manner contemplated by this First Amendment, and in accordance with the Shareholders' Resolution and consistent with the Interim Order;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency ofwhich are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Share Purchase Agreement.

1.2 This First Amendment amends and supplements the Share Purchase Agreement, and the Share Purchase Agreement and this First Amendment shall hereafter be read together and shall have effect, so far as practicable,as if all the provisions of the Share Purchase Agreement and this First Amendment were contained in one instrument.

ARTICLE II – AMENDMENTS

2.1 Amendment to Section 1.1:

The Share Purchase Agreement is hereby amended by deleting Section 1.1 in its entirety.

2.2 Amendment to Section 1.3:

The Share Purchase Agreement is hereby amended by deleting Section 1.3 in its entirety and replacing it with:

> *"**Closing Date**" means the Vendor giving effect to the implementation of a plan of arrangement under the Business Corporations Act (British Columbia) following receipt of requisite court, shareholder and debenture holder approvals contemplated in the Interim Order;*

2.3 Amendment to Section 1.5:

The Share Purchase Agreement is hereby amended by adding the following after Section 1.5 and re-numbering the Sections thereafter in Section 1:

> *"**Interim Order**" means the* order of the Supreme Court of British Columbia (the "**Court**") made on September 14, 2021;

2.4 Amendment to Section 2.1:

The Share Purchase Agreement is hereby amended by deleting Section 2.1 in its

entirety and replacing it with:

> *In consideration of the payment on Closing by the Purchaser to the Vendor or as the Vendor may otherwise direct in writing, of the sum of $14,103,680.40 (the "Purchase Price") on the Closing Date to be satisfied by payment by wire transfer, the Vendor hereby agrees to convey or cause to be conveyed to the Purchaser the Purchased Shares by delivery to the Purchaser on Closing of certificate(s) representing the Purchased Shares registered in the name of the Purchaser.*

2.5 Amendment to Section 4.2:

The Share Purchase Agreement is hereby amended by deleting Section 2.1 in its entirety and replacing it with:

> *The obligation of the Purchaser to complete the transactions contemplated by this Agreement shall be subject to the following:*
>
> *(a) each of the representations and warranties of the Vendor contained in this Agreement;*
>
> *(b) the Vendor shall have performed all of its covenants under this Agreement; and*
>
> *(c) the plan of arrangement of the Vendor under the Business Corporations Act (British Columbia) shall have become effective following receipt of requisite court, shareholder and debenture holder approvals as contemplated in the Interim Order.*

ARTICLE III – REAFFIRMATION OF OBLIGATIONS

3.1 The Vendor and Purchaser:

(a) reaffirm its obligations under the Share Purchase Agreement; and

(b) confirms that its obligations remain in full force and effect with respect to the Share Purchase Agreement;

in each case after giving effect to the amendments provided for herein.

ARTICLE IV – NO OTHER AMENDMENT

4.1 Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Share Purchase Agreement is intended or implied.

ARTICLE V – MISCELLANEOUS

5.1 This First Amendment supersedes and replaces any prior agreements or understandings with respect to any of the matters provided for herein.

5.2 This First Amendment shall be deemed to have been made in the Province of British Columbia and shall be governed by and interpreted in accordance with the laws of such Province and the laws of Canada applicable therein.

5.3 This First Amendment may be executed in one or more counterparts, including by way of facsimile, .pdf or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

5.4 The parties herein have expressly requested that this First Amendment and all related documents be drawn up in the English language. *À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise*.

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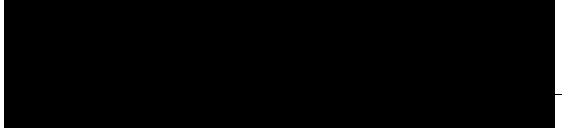
The parties have executed this First Amendment as of the date first above written.

CARAVEL CAD FUND LTD.

By: 

Title: Director

NABIS HOLDINGS INC.

By:

Title: Executive Chairman

SUPPORT AGREEMENT

THIS SUPPORT AGREEMENT (this "**Agreement**") is made as of October 7, 2021

AMONG:

The Person executing this Agreement as "the Noteholder" (the "**Noteholder**")

- and -

NABIS HOLDINGS INC., a corporation continued under the laws of British Columbia (the "**Company**")

RECITALS:

WHEREAS, the Noteholder, directly or indirectly, beneficially owns, controls or directs the voting of the Subject Notes and common shares of the Company as set out in Schedule A;

WHEREAS, the Company has received a proposal from certain holders of 5.3% Senior Unsecured Notes due 2023 issued pursuant to the Senior Unsecured Notes Indenture made among the Company, Odyssey Trustee Company and certain Guarantors (as defined therein) dated January 26, 2021 and amended on April 1, 2021 (including all annexes, exhibits and schedules thereto, and as the same has been, or may in the future be, amended, modified, restated, supplemented or replaced from time to time, the "**Indenture"**) (the **"Notes")** to enter into an arrangement (the **"Arrangement"**) that would, among other things, retire the Notes, to be implemented pursuant to a plan of arrangement (the "**Plan**") to be filed by the Company in proceedings to be commenced under the British Columbia Business Corporations Act (the "**BCBCA**" and, such proceedings, the "**Arrangement Proceedings**") before the Court (as defined herein) in accordance with the terms of this Support Agreement, before the Court;

WHEREAS, the Company has indicated its willingness to enter into the Arrangement and has determined that the Arrangement is in the best interest of the Company;

WHEREAS, the Arrangement contemplates the sale of certain assets of the Company to Caravel CAD Fund Ltd. and the repurchase by the Company of all of the Notes on the terms set out in Schedule B; and

WHEREAS, this Agreement sets out the terms and conditions of the agreement of the Noteholder to abide by the covenants in respect of the Subject Notes, and the other restrictions and covenants set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the Parties agree as follows:

Article 1
INTERPRETATION

1.1 Definitions

Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Indenture. In addition to the capitalized terms defined elsewhere herein, in this Agreement (including the recitals):

“**Business Day**” means a day, other than a Saturday or Sunday, or any other day, on which chartered banks are generally open for business in Toronto, Ontario.

“**Outside Date**” means December 31, 2021 or such other date as the Noteholder and the Company may agree.

“**Parties**” means, collectively, the Noteholder and the Company, and “**Party**” means any one of them, as the context requires.

“Subject Common Shares” means the Common Shares of the Company as set out in Schedule A hereto held or acquired directly or indirectly by the Noteholder or any of its affiliates subsequent to the date hereof.

“**Subject Notes**” means the Notes due 2023 as set out in Schedule A held or acquired directly or indirectly by the Noteholder or any of its affiliates subsequent to the date hereof.

1.2 Gender and Number

Any reference to gender includes all genders. Words importing the singular number only include the plural and *vice versa*.

1.3 Currency

All references to dollars or to CAD$ are references to Canadian dollars and all references to US$ are to United States dollars.

1.4 Headings

The division of this Agreement into Articles, Sections and Schedules, and the insertion of the recitals and headings, are for convenient reference only and do not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules hereto to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Agreement or of the Schedules in which such reference is made, as applicable.

1.5 Date for any Action

A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. (Toronto time) on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. (Toronto time) on the next Business Day if the last day of the period is not a business day. If the date on which any action is required or permitted to be taken under this Agreement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

1.6 Governing Law

This Agreement will be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each Party irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Ontario and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

1.7 Incorporation of Schedules

Schedules A and B form integral parts of this Agreement for all purposes hereof.

Article 2
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Noteholder

The Noteholder represents and warrants to the Company (and acknowledges that the Company is relying on these representations and warranties in entering into this Agreement and the Arrangement) the matters set out below:

(a) The Noteholder, if not a natural Person, is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) The Noteholder has the requisite power and authority to enter into and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by the Noteholder and constitutes a legal, valid and binding agreement of the Noteholder enforceable against it in accordance with its terms, subject only to any limitation under bankruptcy, insolvency or other applicable laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(c) The Noteholder or an affiliate thereof disclosed in Schedule A is the sole beneficial owner of the Subject Notes and Subject Common Shares set forth opposite its name in Schedule A, with good and marketable title thereto, free and clear of all Liens, and exercises control or direction over, and at all times between the date hereof and the earlier of (i) the date on which the Indenture Amendments are effective (the "**Amendment Date**"), and (ii) the termination of this Agreement in accordance with its terms, the Notes and Common Shares set forth opposite its name in Schedule A. Other than the securities set forth opposite its name in Schedule A, neither the Noteholder nor any of its affiliates beneficially own, or exercise control or direction over, any additional Notes or Common Shares, or any securities convertible or exchangeable into any additional Notes or Common Shares, of the Company or any of its affiliates.

(d) The Noteholder has, and will continue to have until the earlier of (i) the Effective Date, and (ii) the termination of this Agreement in accordance with its terms, the right to sell and vote or direct the sale and voting of the Subject Notes and Subject Common Shares set forth opposite its name in Schedule A in the Arrangement Proceeding.

(e) The Noteholder (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement; (ii) has conducted its own analysis and made its own decision to enter into this Agreement; (iii) has obtained such independent advice in this regard as it deemed appropriate; and (iv) has not relied in such analysis or decision on any Person other than its own independent advisors;

(f) No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Notes or Subject Common Shares or any interest therein or right thereto.

(g) No consent, approval, order or authorization of, or declaration or filing with, any Person is required to be obtained by the Noteholder, any affiliate of the Noteholder or any beneficial owner of the Subject Notes and/or Subject Common Shares in connection with the execution and delivery of this Agreement by the Noteholder and the performance by the Noteholder of its obligations under this Agreement.

(h) There are no claims, actions, suits, audits, proceedings, investigations or other actions pending against or, to the knowledge of the Noteholder, threatened against or affecting the Noteholder, any affiliate of the Noteholder, the beneficial owner of any of the Subject Notes and/or Subject Common Shares that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Noteholder's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.

(i) None of the Subject Notes and/or Subject Common Shares is subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of any of the Company's securityholders or give consents or approvals of any kind, except pursuant to this Agreement.

(j) None of the execution and delivery by the Noteholder of this Agreement or the completion of the transactions contemplated hereby or the compliance by the Noteholder with its obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after Notice (as defined below) or lapse of time or both would constitute a default under, any term or provision of: (i) any constating document of the Noteholder or any beneficial owner of the Subject Notes or Subject Common Shares; or (ii) any contract to which the Noteholder or any beneficial owner of the Subject Notes or Subject Common Shares is a party or by which the Noteholder or any beneficial owner of the Subject Notes or Subject Common Shares is bound.

2.2 Representations and Warranties of the Company

The Company, represents and warrants to the Noteholder (and acknowledge that the Noteholder is relying on these representations and warranties) the matters set out below:

(a) The Company is a corporation duly incorporated or organized and validly existing under the laws of the jurisdiction of its incorporation or organization, and has the corporate power and authority to own and operate its assets and conduct its business as now owned and conducted. This Agreement has been duly executed and delivered by the Company, and constitutes a legal, valid and binding agreement of the Company, enforceable against it, in accordance with their terms, subject only to any limitation under bankruptcy, insolvency or other applicable laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction, and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement.

(b) None of the execution and delivery by the Company of this Agreement or the compliance by the Company, of its obligations hereunder do or will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after Notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Company; (ii) any contract to which the Company is a party or by which the Company is bound; (iii) any judgment, decree, order or award of any governmental authority; or (iv) any applicable law.

(c) There are no claims, actions, suits, audits, proceedings, investigations or other actions pending against, or, to the knowledge of the Company, threatened against or affecting the Company or any of the Company properties or assets that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Company's ability to execute and deliver this Agreement.

(d) The Company (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement; (ii) has conducted its own analysis and made its own decision to enter into this Agreement; (iii) has obtained such independent advice in this regard as it deemed appropriate; and (iv) has not relied in such analysis or decision on any Person other than its own independent advisors;

Article 3
COVENANTS

3.1 Covenants of the Noteholder

(a) The Noteholder hereby covenants with the Company, that from the date of this Agreement until the termination of this Agreement in accordance with its terms (the "**Expiry Time**"), the Noteholder will not, and the Noteholder will ensure that no beneficial owner of the Subject Notes will:

(i) without having first obtained the prior written consent of the Company, sell, transfer, gift, assign, convey, pledge, hypothecate, encumber, option or otherwise dispose of any right or interest in any of the Subject Notes or Common Shares or enter into any agreement, arrangement, commitment or understanding in connection therewith;

(ii) other than as set forth herein, grant or agree to grant any proxies or powers of attorney, deliver any voting instruction form, deposit any Subject Notes or Subject Common Shares into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any Notes or Common Shares otherwise limiting or revoking any consent or waiver granted by the Noteholder to the Company; or

(iii) requisition or join in the requisition of any meeting of Noteholders or solicit consents or other form of support from Noteholders for the purpose of considering or consenting to any resolution or request or accelerating the principal, premium, if any, and unpaid interest on the Subject Notes.

(b) The Noteholder hereby irrevocably covenants, undertakes and agrees from time to time, until the Expiry Date, to (i) cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) all the Subject Notes and/or Subject Common Shares listed opposite its name on Schedule A at any meeting of Noteholders and/or any meeting of Common Shareholders in favour of the Arrangement and Arrangement Proceedings. In connection with the foregoing, subject to this Section 3.1(b), as soon as practicable, the Noteholder hereby agrees to (i) deposit and to cause any beneficial owners of Notes and/or Common Shares eligible to be voted to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of the Notes and/or Common Shares eligible to be voted, voting all such Notes and/or Common Shares in favour of the Arrangement. The Noteholder hereby agrees that it will not take, nor permit any Person on its behalf to take, any action to withdraw, revoke, amend or invalidate any (i) proxy or voting instruction form deposited pursuant to this Agreement notwithstanding any statutory or other rights or otherwise which the Noteholder might have or (ii) any written consent or waiver delivered by the Noteholder to the Trustee notwithstanding any right under the Indenture the Noteholder might have, unless this Agreement has, at such time been previously terminated in accordance with Section 5.1. The Noteholder will, at the request of the Company, provide evidence to the Company that the Noteholder has voted the Notes and/or Common Shares in accordance with the terms of this Section 3.1(b).

(c) The Noteholder will act in good faith and take all commercially reasonable actions that are reasonably necessary or appropriate to promptly consummate the Arrangement in accordance with the terms and conditions set forth herein and use its reasonable best efforts to support the Arrangement contemplated by this Agreement and the Term Sheet, as applicable, including, without limitation, assisting with applicable regulatory approvals.

(d) Until the Expiry Date, the Noteholder has not, and agrees not to, directly or indirectly, grant or deliver any other proxy, power of attorney or voting instruction form with respect to the matters set forth in this Agreement except as expressly required or permitted by this Agreement.

(e) Until the Expiry Date, the Noteholder will not, and will ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative, agent or otherwise:

(i) solicit proxies or become a participant in a solicitation in opposition to the Arrangement, including the Arrangement Proceedings;

(ii) knowingly assist any Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the completion of the Arrangement, including the Arrangement Proceedings;

(iii) act jointly or in concert with others with respect to voting securities of the Company for the purpose of opposing the Arrangement, including the Arrangement Proceedings;

(iv) take any other action that is materially inconsistent with its obligations under this Agreement and the Term Sheet; or

(v) cooperate in any way with, assist or participate in, knowingly encourage or otherwise knowingly facilitate any effort or attempt by any other Person to do or seek to do any of the foregoing.

(f) Until the Expiry Time, the Noteholder will not, and the Noteholder will ensure that no beneficial owner of Subject Notes or Subject Common Shares will take any action of any kind in connection with its beneficial ownership or control or direction of the Notes or Common Shares that would reasonably be regarded as likely to adversely affect, reduce the success of, materially delay or interfere with the completion of the Arrangement.

(g) Until the Expiry Time, the Noteholder hereby consents to:

(i) details of this Agreement being set out in any press release, information circular, court documents or similar documents produced by the Company or any of their respective affiliates in connection with the Arrangement;

(ii) this Agreement and the details of this Agreement being shared with Odyssey Trust Company; and

(iii) this Agreement being made publicly available, including by filing on the System for Electronic Document Analysis and Retrieval (SEDAR) administered by the Canadian Securities Administrators.

(h) Until the Expiry Time and except as required by applicable law or applicable stock exchange requirements, the Noteholder will not, and will ensure that its affiliates do not, make any public announcement or public statements with respect to the Arrangement

without the prior written approval of the Company (such approval not to be unreasonably withheld, conditioned or delayed).

ARTICLE 4
CONDITIONS

4.1 Conditions to the Noteholders' Support Obligations

Notwithstanding anything to the contrary contained in this Agreement and without limiting any other rights of the Noteholders herein, the obligations of the Noteholder to vote in favour of the Arrangement and the Arrangement Proceedings pursuant to Section 3.1(b) hereof, shall be subject to the satisfaction of the following conditions, each of which may be waived, in whole or in part, by the Noteholder:

(a) the Arrangement and all definitive agreements, court materials and other material documents in connection with the Arrangement and Arrangement Proceedings, and any and all amendments, modification or supplements relating to any of the foregoing, including, without limitation and as applicable, this Agreement, all material applications, motions, pleadings, orders, rulings and other documents filed by the Company with a court in the Arrangement Proceedings and any other material documentation required in connection with the meetings of holders of the Subject Notes and holders of the Subject Common Shares, shall be in form and substance acceptable to the Noteholder, acting reasonably;

(b) all orders made and judgments rendered by any competent court of law and all rulings and decrees of any competent regulatory body, agent or official in respect of the Arrangement Proceedings shall be satisfactory to the Noteholder, acting reasonably;

(c) the Arrangement, the proposed order in respect of the Arrangement, and all other materials filed by or on behalf of the Company in the Arrangement Proceedings shall have been filed (and, if applicable, issued) in form and substance acceptable to the Noteholders, acting reasonably;

(d) the Company, shall have complied in all material respects with each covenant and obligation in this Support Agreement that is to be performed on or before the date that is three (3) Business Days prior to the Arrangement Proceedings;

(e) the representations and warranties of the Company set forth in this Support Agreement shall continue to be true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) at and as of the date hereof and at and as of the date that is three (3) Business Days prior to the Arrangement Proceedings (except to the extent such representations and warranties are by their terms given as of a specified date, in which case such representations and warranties shall be true and correct in all material respects as of such date), except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement;

(f) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application (other than a frivolous or vexatious application by a Person other than a Governmental Entity) shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Arrangement Proceedings that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Arrangement Proceedings or any

material part thereof or requires or purports to require a material variation of the Arrangement;

(g) all actions taken by the Company in furtherance of the Arrangement shall be consistent in all material respects with this Agreement.

ARTICLE 5
GENERAL

5.1 Termination

This Agreement will terminate and be of no further force or effect upon the earliest to occur of:

(a) the mutual agreement in writing of the Parties;

(b) written Notice by the Noteholder to the Company, if subject to Section 5.3, any representation or warranty of the Company under this Agreement is untrue or incorrect in any material respect, provided, that at the time of such termination, the Noteholder is not in material default in the performance of its obligations under this Agreement that have not been cured within five Business Days of receiving Notice from the Company of such default;

(c) written Notice by the Company, to the Noteholder if:

(i) subject to Section 5.3, any representation or warranty of the Noteholder under this Agreement is untrue or incorrect in any material respect; or

(ii) the Noteholder has not complied in any material respect with its covenants contained herein;

provided, that at the time of such termination, the Company is not in material default in the performance of its obligations under this Agreement that have not been cured within five Business Days of receiving Notice from the Noteholder of such default;

(d) the Outside Date.

5.2 Time of the Essence

Time is of the essence in this Agreement.

5.3 Notice and Cure Provisions

(a) Each Party will give prompt Notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the termination of this Agreement of any event or state of facts which occurrence or failure would, or would be likely to, give rise to a right of termination by the other Party pursuant to Section 5.1(b) or Section 5.1(c), as applicable. Notification provided under this Section 5.3 will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto).

(b) The Noteholder may not exercise its right to terminate this Agreement pursuant to Section 5.1(b), and the Company may not exercise their right to terminate this Agreement pursuant to Section 5.1(c), unless the Party or Parties seeking to terminate the Agreement delivers a written Notice to the other Party or Parties specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party or Parties

delivering such Notice is asserting as the basis for the termination right. If any such Notice is delivered prior to any meeting, provided, that a Party is proceeding diligently to cure such matter and such matter is capable of being cured, no Party may exercise such termination right until the earlier of (i) five Business Days prior to such meeting, and (ii) the date that is five Business Days following receipt of such Notice by the Party to whom the Notice was delivered, if such matter has not been cured by such date. If any such Notice is delivered after the date of such meeting, provided that a Party is proceeding diligently to cure such matter and such matter is capable of being cured, no Party may exercise such termination right until the date that is five Business Days following receipt of such Notice by the Party to whom the Notice was delivered.

5.4 Effect of Termination

If this Agreement is validly terminated in accordance with the provisions of Section 5.1, no Party will have any further liability to perform its obligations under this Agreement except as expressly contemplated by this Agreement, and, provided, that neither the termination of this Agreement nor anything contained in Section 5.1 will relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

5.5 Equitable Relief

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunctive and other equitable relief to prevent breaches of this Agreement, and to enforce compliance with the terms of this Agreement without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at law or in equity.

5.6 Waiver; Amendment

Each Party agrees and confirms that any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by all of the Parties or in the case of a waiver, by the Party against whom the waiver is to be effective. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar), and whether occurring before or after that waiver. No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

4.7 Entire Agreement

This Agreement, together with Schedules A and B any other documents incorporated herein by reference, constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings among the Parties with respect thereto.

4.8 Notices

Any Notice, consent or approval required or permitted to be given in connection with this Agreement (each, a "**Notice**") will be in writing, sent by personal delivery, courier or email and addressed:

(a) if to the Company:

c/o Nabis Holdings Inc.
7-B Pleasant Blvd.
Suite 978
Toronto, ON M4T 1K2
Canada

Attention: Bruce Langstaff
Email: blangstaff@nabisholdings.com

with a copy (which will not constitute Notice) to:

Irwin Lowy LLP
217 Queen Street West
Suite 401
Toronto, ON M5V 0R2

Attention: Chris Irwin
Email: cirwin@irwinlowy.com

(b) if to the Noteholder, at the address set forth in Schedule A.

Any Notice is deemed to be given and received, if sent by personal delivery, courier or email, on the date of delivery of transmission, as applicable, if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed.

4.9 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.10 Successors and Assigns

The provisions of this Agreement will be binding upon and enure to the benefit of the Parties and their respective heirs, administrators, executors, legal representatives, successors and permitted assigns, as applicable; provided, that no Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other Party; and, provided, further, that the Company may assign all or part of its rights under this Agreement to, and its obligations under this Agreement may be assumed by, any of its affiliates, provided, that if such assignment and/or assumption takes place, the Company shall continue to be liable joint and severally with such affiliate for all of its obligations hereunder.

4.11 Expenses

Each Party will pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement provided that each party (the "breaching party") shall pay the fees and disbursements of legal counsel to another party (the "non-breaching party") to the extent

related to any proceedings brought by a non-breaching party to enforce this Agreement as a result of a breach of any provision of this Agreement by the breaching party.

4.12 Independent Legal Advice

Each of the Parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that it has either done so or waived its right to do so in connection with the entering into of this Agreement.

4.13 Further Assurances

The Parties will, with reasonable diligence, do all reasonable things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party will provide such further documents or instruments required by the other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

4.14 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile, email or other means of electronic transmission) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Agreement.

NABIS HOLDINGS INC.

By: ______________________

Name: Bruce Langstaff

Title: Director

NOTEHOLDER:

Witness

Accepted and agreed to with effect from the 7 day of October, 2021.

Name: Glen Gibbons, Director - The Caravel CAD Fund Ltd.

[SIGNATURE PAGE TO SUPPORT AGREEMENT]

SCHEDULE A

Name of Noteholder	Number of Subject Notes	Number of Subject Common Shares
⌂ The Caravel CAD Fund Ltd	• ⌂(As of August 24, 2021)	•

Address for Notice

Address:
City:
State/Province:
Zip Code/Postal Code:
Email: Glen@Caravelinvest.com

SCHEDULE B

NABIS HOLDINGS INC.

TERM SHEET

RE: Nabis Holdings Inc. ("**Nabis**"); and 5.3% senior unsecured notes issued by Nabis due 2023 (the "**Debentures**"); holders of the Debentures ("**Debentureholders**"); holders of common shares of Nabis ("**Shareholders**").

The purpose of this term sheet (the "**Term Sheet**") is to set out the principal commercial terms of a proposed plan of arrangement (the "**Arrangement**") involving Nabis. This Term Sheet does not create any obligations on the part of Nabis, any Debentureholder, any Shareholder or any other person until such party has executed the support agreement (the "**Support Agreement**") to which this Term Sheet is attached and such Support Agreement has become effective and binding on such party in accordance with its terms. The Debentureholders that are party to the Support Agreement are collectively referred to herein as the "Consenting Debentureholders". The term "Required Consenting Debentureholders" has the meaning set forth in the Term Sheet.

This Term Sheet is a summary of the terms and conditions of the Arrangement and is subject to the negotiation, execution and delivery of definitive documentation. This Term Sheet is proffered in furtherance of settlement discussions, and is entitled to the applicable statutes or doctrines protecting the use or disclosure of confidential information and information exchanged in the context of settlement discussions.

A. Arrangement

1. Terms of the Arrangement

Nabis shall effect an arrangement involving the following transactions (collectively, the "**Arrangement**"), which are described in greater detail below and which shall be effected pursuant to a plan of arrangement (the "**Plan of Arrangement**") under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). Nabis will commence an application for an interim order (the "**Interim Order**") and seek a final order (the "**Final Order**") approving the Plan of Arrangement from the Supreme Court of British Columbia. The Arrangement shall consist of the following:

(a) Nabis will sell the following assets to Caravel CAD Fund Ltd. for consideration of CAD $14,103,680.40:

(A) 892,638 Class A Subordinate Voting Shares of Verano Holdings Corp. ("Verano")

(b) after giving effect to the foregoing, Nabis will acquire all of the outstanding Debentures at $64.00 for each $100.00 principal amount of Debentures outstanding .

The implementation of the Arrangement shall be subject to and conditional upon all required Debentureholder, Shareholder or other approvals. The effective date means the date on which the Arrangement is consummated (the "**Effective Date**").

The record date for determining Debentureholders and Shareholders that are entitled to vote at the meetings to approve the Arrangement shall be a date acceptable to the Required Consenting Debentureholders (the "**Record Date**").

2. Conditions to Arrangement

The Arrangement shall be subject to conditions mutually agreed upon by the Nabis and the Required Consenting Debentureholders, including the following:

(i) the Support Agreement shall be in full force and effect;

(ii) the Effective Date shall occur on or before December 31, 2021 or such later date as the Required Consenting Debentureholders may agree.

(iii)

(iv) timely satisfaction by Nabis in all material respects of each obligation referred to in this Term Sheet, the Support Agreement, and any other material transaction agreements entered into in connection with the Arrangement;

(v) any required resolutions authorizing the Arrangement and the transactions contemplated thereby will have been approved by the Debentureholders, the Shareholders and the board of directors of Nabis;

(vi) any material third party consents required in respect of the Arrangement will have been obtained, and any required material regulatory consents and approvals will have been obtained and be in full force and effect and not modified; and

(vii) the Final Order being granted and the Plan of Arrangement being in full force and effect.

3. Other

Nabis shall work cooperatively with the advisors to the Consenting Debentureholders to prepare and finalize all documentation (including, without limitation, the court documents and the Plan of Arrangement) utilized to effect the Arrangement. The first drafts of all such documentation shall be prepared by counsel to Nabis.

Amended pursuant to Supreme Court Civil Rule 16-1(19)(b)
Original filed September 8, 2021

No.S-217962
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF PART 9, DIVISION 5, SECTION 291 OF THE *BUSINESS CORPORATIONS ACT,* S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT OF NABIS HOLDINGS INC.

PETITIONER

AMENDED PETITION TO THE COURT

THIS IS THE PETITION OF:

Nabis Holdings Inc.
c/o Miller Titerle Law Corporation
300 - 638 Smithe Street
Vancouver, BC V6B 1E3

ON NOTICE TO:

THIS IS NOT INTENDED TO GIVE NOTICE OF THIS PETITION TO ANY PERSON, EXCEPT AS MAY BE DIRECTED BY THE COURT.

This proceeding has been started by the Petitioner for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

(a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and

(b) serve on the petitioner(s)

(i) 2 copies of the filed response to petition, and

(ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner(s),

(a) if you were served with the petition anywhere in Canada, within 21 days after that service,

(b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,

(c) if you were served with the petition anywhere else, within 49 days after that service, or

(d) if the time for response has been set by order of the court, within that time.

(1) The address of the registry is: 800 Smithe St, Vancouver, BC V6Z 2E1.

(2) The ADDRESS FOR SERVICE of the Petitioner is: c/o Miller Titerle Law Corporation, 300 - 638 Smithe Street, Vancouver, BC V6B 1E3

Fax number address for service (if any) of the Petitioner is: N/A

E-mail addresses for service of the Petitioner are:
joelle@millertiterle.com
wen@millertiterle.com

(3) The name and office address of the Petitioner's lawyer is:

Miller Titerle Law Corporation
300 - 638 Smithe Street
Vancouver, BC V6B 1E3
Attention: Joelle Walker

CLAIM OF THE PETITIONER

Part 1: ORDERS SOUGHT

1. The Petitioner applies to this Court for a Final Order substantially in the form attached as Schedule "A" ("**Final Order**") pursuant to section 291 of the *British Columbia Business Corporations Act*, S.B.C. 2002, c. 57, as amended ("***BCBCA***") and Rule 16-1 of the *Supreme Court Civil Rules*.

PART 2: FACTUAL BASIS

<u>Overview</u>

1. The Petitioner, Nabis Holdings Inc., ("**Company**"), is incorporated under the *BCBCA* with a registered and records office located at Suite 1500 - 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3.

2. Unless stated otherwise, all dollar amounts referred to herein are in the lawful currency of Canada ("**CAD**").

3. The Company is a Canadian investment company focused on investing in high quality cash flowing and strategic assets across multiple aspects of the cannabis sector primarily in U.S. limited license states. The shares and notes of the Company are listed on the Canadian Securities Exchange ("**CSE**") under the ticker symbols NAB and NAB.NT, respectively. At the close of business on November 2 ~~August 31~~, 2021 there were 5,100,000 common shares ("**Shares**") and $23,000,000 principal amount of 5.3% Senior Unsecured Notes ("**Notes**") of the Company outstanding.

4. The Company became financially distressed in or about 2020 following a series of failed investments and poor management decisions. In or about January 2021, following a restructuring transaction, the Company replaced its management and then board of directors (the "**Board**").

5. In or about January 2021, Caravel CAD Fund Ltd. ("**Caravel**"), an investment fund organized under the laws of the Commonwealth of the Bahamas, based in Nassau, New Providence, the Bahamas, and the largest holder of the Company's then-outstanding convertible debt, sponsored a restructuring transaction that was carried out via a proposal to creditors under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 ("***Bankruptcy and Insolvency Act***") to address the Company's financial problems ("**Proposal**"). Caravel holds 967,067shares in the Company and $10,602,689 principal amount of the Notes (as defined below).

6. The Proposal operated to cancel all the then-outstanding common shares and other equity claims, and to satisfy the convertible debt and all other unsecured claims by the issuance of the Notes and 3.7 million ~~s~~Shares. The primary intent of the Proposal was to convey substantially all of the value of the Company's principal operating asset, the Emerald Dispensary in Phoenix, Arizona ("**Emerald**"), to the former creditors of the Company.

7. Caravel, as the largest pre-Proposal creditor of the Company, had substantial influence over the terms of the Proposal and negotiated a Senior Unsecured Notes Indenture dated January 26, 2021, later amended on April 1, 2021 ("**Indenture**"), between Caravel, the Company, Odyssey Trust Company ("**Trustee**"), and the Guarantors (as defined in the Indenture), to govern the Notes. Among other things, the Indenture stipulates cash flow sweep provisions ("**Provisions**") with respect to asset sales on the part of the Company and also requires that any change to the Provisions be consented to by every affected person entered in the register for

Notes as registered holders of the Notes (collectively, "**Noteholders**"). The Provisions make it impossible for the Company to make open market repurchases or undertake other transactions at prices less than 105% of par, which was the redemption price stipulated by the Indenture.

8. The Company sold Emerald to a subsidiary of Verano Holdings Corp. ("**Verano**"), a multi-state operator engaged in the production of cannabis and cannabis products in the United States, pursuant to an agreement that was executed on February 25, 2021, which closed on March 10, 2021. The proceeds of the transaction were $11.25 million in cash and 892,638 Class A subordinate voting shares in Verano ("**Verano Shares**"). The Verano Shares are listed on the CSE under the ticker symbol VRNO. The Verano Shares were subject to a contractual lock-up agreement and were also held in escrow, conditional on certain changes to the Indenture releasing the Company's operating subsidiary in Arizona from its guarantee obligation under the Indenture.

9. Substantially all the cash proceeds from the sale of Emerald were used to repay indebtedness owed to Caravel by the Company's operating subsidiary in Arizona and to pay certain expenses that Caravel had incurred in connection with the Proposal. The remainder of the consideration from the sale of Emerald constituted the Verano Shares.

10. Throughout in or about March and April 2021, the ~~b~~Board ~~of directors of the Company ("**Board**")~~ met regularly to consider how best to use the Verano Shares to discharge its obligations under the Indenture. Among the options considered were the gradual sale of the Verano Shares with the use of proceeds being used to make open market purchases of the Notes or a "reverse Dutch auction" tender offer for the Notes. However, the Indenture prevented either option from being pursued, and both exposed the Company to the risk that the ultimate proceeds from the sale of the Verano Shares would be insufficient to redeem all of the Notes, and that the Company would be left with nominal assets with which to repay the Notes that remained. As such, the Board determined that a holistic transaction that would discharge the obligation of the Notes and contemporaneously monetize the Verano Shares would be the best course of action for the Company. On or around April 22, 2021, the Board unanimously determined to pursue an arrangement under the *BCBCA* as the best means of effecting a holistic transaction.

11. The Verano Shares, which constitute the majority of the Company's assets, exhibit considerable volatility. The Board concluded that eliminating exposure to the market price of assets over which it exercises no control is in the best interest of the Company.

12. As a result of the foregoing, beginning in April 2021 certain directors of the Company met with representatives of Caravel ("**Caravel Representatives**") regarding the terms on which Caravel and the Company would pursue a holistic solution that would satisfy the Noteholders and eliminate the Company's

substantial indebtedness and exposure to the price of the Verano Shares. Various transactions were discussed over the course of May 2021 between the Board and the Caravel Representatives, but no agreement was reached. As Caravel owns more than one-third of the Notes and thus holds an effective veto right over any amendment to the Indenture or arrangement proposal, securing the support of Caravel was critical to the success of any potential transaction.

13. Contemporaneously, the Company received an indemnity notice from Verano (“**Indemnity**”) arising from the Emerald sale, along with a Payment Reminder Notice from the IRS alleging that Emerald had tax owing in respect of its 2015 tax year of $590,000 USD along with interest and penalties of approximately $230,000 USD (collectively, the “**Outstanding Taxes**”).

14. The Company cannot determine how long it may take to resolve this matter with the IRS and while Verano has to date been prepared to forebear from demanding payment of the Indemnity, there is no guarantee that they will continue to do so. As a result, the Company has no choice except to reserve adequate funds for the payment of the Indemnity (“**Reserve**”). The Reserve reduces the amount available for distribution to the Noteholders under any potential transaction and has caused delay in the negotiation of an acceptable transaction with Caravel.

15. Discussions continued into June 2021, at which point Caravel proposed the terms of the transaction that is the subject of this proceeding. The proposed transaction contemplates that a restructuring of the Company would be pursued pursuant to an arrangement process under the *BCBC*A , which has become the Arrangement ("**Arrangement**") as set out in the proposed plan of arrangement ("**Plan of Arrangement**"), attached to the Information Circular for an Extraordinary Meeting of Holders of 5.3% Senior Unsecured Notes due 2023 ("**Noteholders’ Information Circular**") which was sent to Noteholders on September 15, 2021.

16. The Company and Caravel ~~have~~ entered into a Support Agreement dated July 2, 2021 (“**Caravel Support Agreement**”) pursuant to which Caravel agreed to support the Arrangement and act in good faith and take all commercially reasonable actions that are reasonably necessary or appropriate to promptly consummate the Arrangement in accordance with the terms and conditions set forth in the Caravel Support Agreement. The Company now advances this Petition to ultimately seek court approval of the Arrangement.

Events Leading to the Arrangement

17. As described above, in June 2021, Caravel proposed the terms of the transaction that is the subject of this Arrangement.

18. The Board considered the Arrangement in light of the other alternatives that it had previously considered. They also considered liquidating the Company’s assets and, if the proceeds of such a liquidation were inadequate, seeking protection from

the Company's creditors under the *Companies Creditors Arrangement Act*, R.S.C., 1985, c. 36 ("***CCAA***") or the *Bankruptcy and Insolvency Act*. The Board concluded that the costs of the latter alternative would almost certainly exceed the costs of the Arrangement by a significant amount and determined that it was unlikely that further insolvency proceedings would be a better alternative than the Arrangement.

19. The Noteholders' Information Circular further describes the factors considered by the Board, but in summary the Board evaluated the following:

a. *Certainty of Value and Liquidity*. According to CSE data retrieved from Refinitiv, a recognized provider of financial data that is a subsidiary of the London Stock Exchange Group, the Notes have traded sporadically since April 30, 2021, with no trades occurring in May 2021, and only one trade in each of June and July 2021 prior to the public announcement by the Company on July 28, 2021 that it was pursuing the Arrangement. The Arrangement will provide value certainty and liquidity to Noteholders who would otherwise have difficulty selling their Notes at attractive prices, or at all.

b. *Substantial Premium to Market Value*. The Arrangement will pay $73.75 per $100 principal amount to Noteholders, a 44.6% premium to $51, the closing price of the notes on July 27, 2021.

c. Shareholder and Court Approval Required. The Board considered the rights and approvals which protect disinterested Noteholders and minority shareholders.

d. Elimination of Nabis' debt. The transaction will eliminate all of Nabis' indebtedness, which the Board believes will make Nabis a more attractive investment for providers of capital. The Board does not believe that any third-party capital will be available to Nabis until its indebtedness is eliminated, on acceptable terms or at all. Further, the repurchase of all of the Notes will result in the avoidance of significant interest costs by Nabis.

e. *Monetization of Nabis' principal asset.* Nabis' principal asset is its holding of Verano Shares, over which its management exercises no control. The Arrangement monetizes the Verano Shares at an attractive value and provides value certainty to Nabis.

f. *Preservation of value*. The Board believes that there is no realistic viable alternative for Nabis to the Arrangement other than an insolvency proceeding. Insolvency proceedings would result in the incurrence of substantial legal and professional fees that would diminish the value of Nabis' estate, resulting in an inferior outcome for all stakeholders.

g. *The Position of Caravel*. Caravel has informed the Company, through various

dealings and intensive negotiations, that they will not support any alternative transaction to the Arrangement. Absent the support of Caravel, an alternative transaction is impossible to implement.

h. *Equitable outcome for Noteholders.* All or substantially all the Noteholders acquired their Notes as a result of the implementation of the Proposal. The intent of the Proposal with respect to capital structure was to convey the value of Emerald to former unsecured creditors of Nabis. The implementation of the Arrangement furthers the intent of the Proposal. Also, substantially all of the Noteholders received common shares as a result of the implementation of the Proposal, and therefore will share ratably in any additional value realized by the Company after the Notes are repurchased.

i. *Substantial support from disinterested Noteholders.* The Board believed that the Arrangement would receive the support not only of Caravel but of a majority of the Noteholders by number (including Caravel), and from a majority of shareholders of the Company other than those whose votes are to be excluded for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

20. As a result of these considerations the Board determined to pursue the Arrangement and entered into the Caravel Support Agreement on July 2, 2021 to that effect.

21. The Caravel Support Agreement sets out support for, among other things, the acquisition and retirement of all the Notes, to be implemented pursuant to the Plan of Arrangement to be filed by the Company under the *BCBCA*.

22. At the time of executing the Caravel Support Agreement, Caravel indicated that it had been in communication with other Noteholders who it believed would be supportive of the Arrangement. The Company indicated to Caravel that it was only prepared to pursue the Arrangement if it was clear that the requisite amount of support from Noteholders was achieved through the execution of support agreements (together with the Caravel Support Agreement, "**Noteholder Support Agreement(s)**"), in the same form as the Caravel Support Agreement.

23. ~~To date,~~ Noteholders, including Caravel, representing more than seventy-five percent (75%) of the Notes ("**Supporting Noteholders**") ~~have~~ signed Noteholder Support Agreements, where the form of the Noteholder Support Agreement is the same for all Supporting Noteholders, agreeing to vote in favour of the Arrangement.

24. The principal terms of the Arrangement were initially set out in the Noteholder Support Agreements and contemplated the sale of the Verano Shares, as well as the repurchase of the Notes. Subsequent to entering into the Noteholder Support Agreements, the Company and Caravel agreed that the purchase and sale of the

Verano Shares would occur pursuant to the Share Purchase Agreement (as defined below), rather than under the Arrangement. As such, only the repurchase of the Notes will be implemented pursuant to the Plan of Arrangement which must be in form and substance acceptable to the Noteholders, acting reasonably.

25. Caravel and the Company entered into a Share Purchase Agreement on August 23, 2021 ("**Share Purchase Agreement**"), whereby Caravel committed to buy the Verano Shares from the Company for consideration of $17,495,705 cash. The Company will use the proceeds from the sale of the Verano Shares to acquire all of the outstanding Notes.

26. The Company ~~intends to~~ delivered the Noteholders' Information Circular, including a Notice of Meeting, to the Noteholders, and to Nabis' directors and auditors for the purpose of convening an extraordinary meeting to be held on September 27, 2021 ("**Noteholders' Meeting**") to have the Arrangement approved.

~~27. If the Arrangement is not approved, the Company will be required to consider other alternatives to restructure its indebtedness which may include additional financing and management of creditors. There is no assurance that the Company will have sufficient time or investor demand to arrange for the financing necessary to meet its near-term operating obligations and its obligation to pay the amounts that will be due under the Indenture. Further, if the Arrangement is not approved, the Company may experience serious liquidity restraints, impairing its ability to operate as efficiently as possible or at all.~~

28. On August 25, 2021, the Board received and considered a fairness opinion ("**Fairness Opinion**") from Stephen Avenue Securities Inc. ("**Stephen Avenue**"). In the Fairness Opinion, Stephen Avenue stated that it considered, *inter alia*, the following in reaching its conclusion that the Arrangement is fair, from a financial point of view, to the Noteholders:

    a. liquidation of the Company's sole material asset by way of incremental sale of the Verano Shares on the CSE would likely result in materially less proceeds for the satisfaction of the Notes;

    b. if the Arrangement is not approved, the Company may be required to consider bankruptcy or *CCAA* proceedings;

    c. the Arrangement would permit continued participation by shareholders of the Company in the Company's growth and/or strategic initiatives while improving the Company's solvency and liquidity; and

    d. neither Stephen Avenue nor the Company are aware of any other feasible alternatives that are superior to the Arrangement.

Events from September 2021

29. On or around the start of September 2021, a dispute arose between the Company and Caravel with respect to the date of the Noteholders' Meeting and the notice period the Company was required to provide to the Noteholders.

30. On September 14, 2021, Master Muir made an interim order pursuant to the *BCBCA* providing for the calling and holding of the meeting of the Noteholders and other procedural matters ("**Interim Order**"). Caravel opposed the grant of the Interim Order, and in particular, the date proposed to be set for the Noteholders' Meeting.

31. On September 18, 2021, the Company was served with a statement of claim issued by Caravel in the Ontario Superior Court of Justice. In the statement of claim, Caravel alleged that the Interim Order, and the Company's actions in seeking the Interim Order were breaches of the terms of the Indenture and Caravel Support Agreement. Caravel, alleged that the Company acted in bad faith in obtaining the Interim Order as the Company required Caravel's consent to seek the Interim Order. The Company disputed the allegations made by Caravel and on September 21, 2021, filed an application in the Ontario Superior Court of Justice against Caravel

32. Pursuant to the terms of the Interim Order, the Noteholders' Meeting was scheduled for September 27, 2021. However, due to the ongoing dispute and legal proceedings with Caravel, the Noteholders' Meeting was duly adjourned by the Company to such other time to be determined by the Company.

33. On September 27, 2021, on application by the Company, Master Muir made an order that, *inter alia*, the Noteholders' Meeting was properly adjourned by the Company and the Final Approval Hearing be moved from September 29, 2021, to "such further date as counsel for the Company may determine or the Court may direct".

34. On September 28, 2021, at a general and special meeting of the Shareholders of the Company, the Shareholders approved and authorized, *inter alia*:

    a. The sale of the Verano Shares to Caravel on terms to be finalised by management of the Company and approved by the Board;

    b. The Arrangement as set forth in the Plan of Arrangment (as the same may be, or may have been, amended, modified or supplemented); and

    c. The Baord of the Company, without further notice to, or ratification or approval of, the Shareholders, are empowered, in its sole discretion, to amend, modify or supplement the Arrangement, to the extent permitted by the Plan of Arrangement or the Share Purchase Agreement.

35. On October 7, 2021, the Company and Caravel agreed to resolve their dispute and entered into a new agreement for the purchase of the Verano Shares, whereby Carvel would pay to the Company consideration of $14,103,680.40. The Company and Caravel amended the Share Purchase Agreement, *inter alia*, to that effect ("**Amended Share Purchase Agreement**").

36. Under the terms of the Amended Share Purchase Agreement, the Company receives $3,392,024.60, less than the original amount in the Share Purchase Agreement. Accordingly, the terms of the Plan of Arrangment changed and the Noteholders will receive less compensation for the Notes. Previously, it was proposed that the Noteholders receive $73.75 for each $100 amount of Notes. Due to the Amended Share Purchase Agreement, it is now proposed that the Noteholders receive $64 for each $100 amount of Notes. Funds comprising the purchase price under the Amended Share Purchase Agreement have been received in escrow as of October 28, 2021.

37. The Company and Caravel also agreed to waive payment by the Company to Caravel of the amounts of:

    (a) $1,196,723 as consideration or compensation for managment services rendered, legal expenses, and other administrative costs incurred since the engagment by the Company of Caravel in October 2020; and

    (b) Up to $15,000 in respect of reimbursement for reasonable and documented fees for independent legal advice in respect of the Arrangement actually incurred by or for the accout of Caravel to its legal advisors.

38. The terms of the Arrangement were amended to reflect these changes and the decrease in value to the Noteholders, among other things ("**Amended Arrangement**") and the terms fo the Plan of Arrangement were changed accordingly ("**Amended Plan of Arrangement**"). Other than the changes identied in paragraphs 35 to 37 above, all material terms of the Amended Plan of Arrangment remain the same as those of the Plan of Arrangment.

39. On October 7, 2021, the Company entered into new support agreement with Noteholders, including Caravel, in which the Noteholders agreed to vote in favour of the Amended Arrangement ("**October Support Agreement**").

40. On October 13, 2021, the Company and Caravel entered into a settlement agreement whereby they agreed to dismiss their legal actions against one another.

41. On October 19, 2021 the Company received October Support Agreements from other Noteholders and, as at that date, held support aagreements from Noteholders representing in total more than 75% of the Notes.

42. On October 29, 2021, the Board received and considered an updated fairness

opinion from Stephen Avenue dated October 29, 2021 ("**Updated Fairness Opinion**"). In the Updated Fairness Opinion, Stephen Avenue stated that it considered, inter alia, the following in reaching its conclusion that the Amended Arrangement is fair, from a financial point of view, to the Noteholders:

a. The Company is in default of its unsecured obligations;

b. liquidation of the Company's sole material asset by way of incremental sale of the Verano Shares on the CSE would likely result in materially less proceeds for the satisfaction of the Notes;

c. if the Amended Arrangement is not approved, the Company may be required to consider bankruptcy or CCAA proceedings;

d. the Amended Arrangement would permit continued participation by shareholders of the Company in the Company's growth and/or strategic initiatives while improving the Company's solvency and liquidity;

e. neither Stephen Avenue nor the Company are aware of any other feasible alternatives that are superior to the Amended Arrangement; and

f. the Amended Arrangement is supported by advisors and key stakeholders, including the Company's major Shareholder and Noteholder.

43. The Company intends to deliver a supplement to the Noteholders' Information Circular ("**Supplemental Circular**"), including an Amended Petition and Notice of Hearing, to the Noteholders, and to the Company's director's and auditors for the purpose of convening an exgtraordinary meeting to be held on November 29, 2021 ("**November Noteholders' Meeting**") to have the Amended Arrangement approved.

44. If the Amended Arrangement is not approved, the Company will be required to consider other alternatives to restructure its indebtedness which may include additional financing and management of creditors. There is no assurance that the Company will have sufficient time or investor demand to arrange for the financing necessary to meet its near-term operating obligations and its obligation to pay the amounts that will be due under the Indenture. Further, if the Amended Arrangement is not approved, the Company may experience serious liquidity restraints, impairing its ability to operate as efficiently as possible or at all.

The Proposed Amended Arrangement

45. The Company has proposed the Amended Plan of Arrangement with the backing of the Supporting Noteholders and of Caravel, being the largest Noteholder holding 46.1% of the principal value of the Notes outstanding under the Indenture.

46. The Amended Arrangement is described in detail in the Noteholders' Information Circular and the Supplemental Circular as are the specific steps required. The Amended Arrangement provides that the Company will acquire all the outstanding Notes at a price of $64 ~~$73.75~~ per $100 principal amount, which shall be, and shall be deemed to be, received in full and final settlement of all the Notes; any claim of a Noteholder for any liabilities, duties and obligations arising out of or in connection with the Notes ("**Noteholder Claim**"); and any indebtedness arising out of or in connection with the Notes ("**Noteholder Indebtedness**"). Any and all accrued and unpaid interest owing to each Noteholder shall be forgiven, settled and extinguished for no consideration.

47. To proceed, the Amended Arrangement must:

    a. be approved by special resolution ("**Arrangement Resolution**") at the Noteholders' Meeting by an affirmative vote of a majority in number of Noteholders holding not less than 75% in value of the principal amount of the Notes outstanding, present or represented by proxy; and

    b. pursuant to MI 61-101, be approved by a majority of votes cast by holders of common shares ("**Shareholders**"), excluding Shareholders whose votes are required to be excluded for the purposes of "minority approval" under MI 61-101.

48. The Company ~~is seeking~~ received Shareholder approval of the Amended Arrangement required pursuant to MI 61-101 at an annual and special meeting of Shareholders ("**Shareholders' Meeting**") being called and convened by the Company on September 28, 2021 separate and apart from the Noteholders' Meeting. The Shareholders passed a resolution, *inter alia*, that the Arrangement (that may be amended, modified, or supplemented) be approved and agreed to. ~~The parties to the Noteholder Support Agreements and the directors of the Company who own shares have agreed with the Company to vote their shares in favour of the Arrangement, subject to certain conditions~~.

49. ~~Assuming the requisite approval of the Arrangement Resolution, the~~ The Noteholders will be asked to consider, and if deemed appropriate, to adopt, with or without amendment, an extraordinary resolution ("**Note Delisting Resolution**"), to approve the delisting of the Notes from the CSE. The Note Delisting Resolution must be passed by the affirmative votes of Noteholders holding not less than 66 ⅔% of the principal amount of the Notes then outstanding, present or represented by proxy.

50. Completion of the Amended Arrangement is subject to certain other conditions, including the approval of this Honourable Court by way of the Final Order.

51. The Company intends that the Amended Arrangement will become effective on the earliest date following the requisite Noteholder approvals and satisfaction or

waiver, to the extent permitted, of the conditions described in Section 5.1 of the Plan of Arrangement (such date, the "**Effective Date**"). The Company intends to seek the Final Order on December 1, 2021 following the Noteholders' Meeting~~ and the Shareholders' Meeting.~~

52. The Company's obligations to its employees, customers and suppliers, as applicable, will not be affected by the Arrangement and are expected to continue to be satisfied in the ordinary course.

Effect of the Plan of Arrangement on the Noteholders

53. Pursuant to the Amended Plan of Arrangement:

    a. the Company will acquire all of the outstanding Notes from the Noteholders by payment of $64 ~~$73.75~~ cash per $100 principal amount of Notes, which shall, and shall be deemed to, be received in full and final settlement of all Notes, Unsecured Note Indebtedness (as defined in the Amended Plan of Arrangement) and Unsecured Note Holder Claims (as defined in the Amended Plan of Arrangement); and

    b. any and all accrued and unpaid interest owing to each Noteholder shall be forgiven, settled and extinguished.

54. The Amended Plan of Arrangement further provides that the Unsecured Note Indebtedness, and obligations of the Nabis Parties (as defined in the Amended Plan of Arrangement) with respect to or in any way relating to the Notes and the Unsecured Note Documents (as defined in the Amended Plan of Arrangement) shall and shall be deemed to, have been, settled, satisfied and discharged and irrevocably and finally terminated, extinguished and cancelled, the whole without the need for any further payment or otherwise, and each Noteholder shall have no further right, title or interest in and to, or recourse against the Company or any other Nabis Party with respect to, the Notes, the Unsecured Noteholder Indebtedness, or its Unsecured Note Holder Claim (as defined in the Amended Plan of Arrangement), and the Notes and the Unsecured Note Documents will be cancelled and thereupon null and void.

55. Any and all security interests, including guarantees, granted by the Company or any other Nabis Party in respect to the Notes, or Unsecured Note Documents or Unsecured Note Holder Claims will be, and will be deemed to be, released, discharged and extinguished.

56. The Trustee, if requested by the Company, will be authorized and directed to execute and deliver such documents reasonably requested by the Company to evidence the settlement, termination, extinguishment, cancellation and satisfaction and discharges described above.

57. Payment to the Noteholders will be effected through the delivery of the purchase price to the Trustee for distribution to the Noteholders.

~~58. The Plan of Arrangement also provides for the following additional payments being made by the Company:~~

~~a. a total of $1,196,723 to Caravel, or one or more of its affiliates, as directed by Caravel, as consideration or compensation for management services rendered, legal expenses, and other administrative costs incurred since the engagement by the Company of Caravel or Caravel Capital Investments Inc. in October 2020; and~~

~~b. up to $15,000 in respect of reimbursement for reasonable and documented fees for independent legal advice in respect of the Arrangement actually incurred by or for the account of Caravel to its legal advisors.~~

Effect of the Plan of Arrangement on the Unsecured Creditors

59. Only unsecured debt composed of the Notes is to be subject to the Amended Arrangement. The Company's other unsecured creditors, including employees, suppliers, and customers, as applicable, will not be adversely affected by the Amended Arrangement.

Conditions to Implementation

60. The Amended Arrangement is being implemented pursuant to the Plan of Arrangement.

61. The Amended Arrangement and implementation thereof is subject to certain conditions precedent being satisfied, completed or waived pursuant to the terms of the Amended Share Purchase Agreement and the Amended Plan of Arrangement, including, among others, the following key matters:

~~a. the requisite Shareholder approval with respect to the Arrangement, as required pursuant to MI 61-101, which, as Caravel is deemed a "related party" by the provisions of MI 61-101, requires that the Arrangement must be approved by a majority of votes of the Shareholders, excluding the votes of Caravel;~~

~~b. the requisite Shareholder approval with respect to the sale of the Verano Shares pursuant to the Share Purchase Agreement, and as such sale transaction constitutes a disposition of substantially the entire undertaking of the Company, pursuant to the provisions of the *BCBCA* such sale transaction must be approved by at least 66 2/3% of the votes of the Shareholders, and as Caravel is deemed a "related party" by the provisions of MI 61-101, pursuant~~

~~to MI 61-101, such sale transaction must be approved by a majority of the votes of the Shareholders excluding the votes of Caravel;~~

c. the approval of the Supreme Court of British Columbia by way of the Final Order;

d. the Company having complied with its representations, warranties covenants and obligations in the Noteholder Support Agreements;

e. pursuant to the terms of the Final Order, the Noteholders will have irrevocably waived all defaults of the Company under the Indenture, and irrevocably consented to the variation of all necessary terms of the Indenture to allow for the acquisition of all of the Notes by the Company at a discount to their principal amount in full and final settlement of all Notes, any claim of a Noteholder for any liabilities, duties and obligations arising out of or in connection with the Notes, and any indebtedness arising out of or in connection with the Notes, and any and all accrued and unpaid interest owing to such Noteholders shall be forgiven, settled and extinguished for no consideration;

f. the absence of any decisions, orders or decrees by any regulator or applicable government entity that would restrain, impede or prohibit the Arrangement or implementation thereof; and

g. the Company having complied with its representations, warranties, covenants and obligations in the Amended Share Purchase Agreement and closed the Amended Share Purchase Agreement with Caravel.

Part 3: LEGAL BASIS

1. The Petitioner relies on Part 9, Division 5 of the *BCBCA*.

2. Section 288(1) of the *BCBCA* permits a company to propose an arrangement with its creditors or other persons that provides for, *inter alia*, a compromise between the company and its creditors and transfers rights and interests of the company to another corporation in exchange for rights and interests of that other corporation. Whereas the term "company" is defined in the *BCBCA* to mean an entity incorporated under that statute, the term "corporation" is defined more broadly to include any legal entity.

3. Here, the Amended Arrangement is one contemplated by section 288 of the *BCBCA*. The Amended Arrangement provides for a compromise of debt and other interests of the Noteholders.

4. Section 288(2) of the *BCBCA* sets out two preconditions for an arrangement to take effect: (a) the adoption of the arrangement in accordance with section 289; and (b) Court approval under section 291.

5. Where an arrangement is proposed with a class of creditors, section 289(1)(d) sets out the threshold level of support among that class of creditors that must be achieved before the plan is adopted. Based on the ~~Noteholder~~ October Support Agreements, the Petitioner expects to achieve that threshold level of support at the November Noteholders' Meeting prior to seeking the Final Order set out in Schedule "**A**".

6. This Court has recognized that section 291 of the *BCBCA* contemplates three steps in the process of approving an arrangement:

   a. an application for an interim order for directions calling a securityholders' meeting to consider and vote on the arrangement;

   b. a meeting of securityholders where the arrangement must be voted on and approved by special resolution; and

   c. an application for final court approval of the arrangement.

Plutonic Power Corporation (Re). 2011 BSCS 804 at para 16.

~~7. The Petitioner intends to apply for an interim order for directions, and following the Noteholders' Meeting to be held in compliance with the terms of the interim order, return to this Court for approval of the Arrangement.~~

8. With respect to the approval of the Amended Arrangement pursuant to section 291, Justice Fitzpatrick of this Court recently offered guidance on the basic framework courts should apply in *First Bauxite Corporation (Re).* In that case, Justice Fitzpatrick observed that *BCE Inc v 1976 Debentureholders* establishes a three-part test for the approval of an arrangement. A petitioner must establish that:

   a. the arrangement is made in good faith;

   b. the statutory requirements have been met; and

   c. the arrangement is fair and reasonable.

First Bauxite Corporation (Re), 2019 BCSC 89 at para 55 ["***First Bauxite***"] citing *BCE Inc v 1976 Debentureholders*, 2008 SCC 69 ["***BCE***"].

9. On the question of good faith, the Amended Arrangement is the product of months of negotiations between the Company and Caravel, and will permit the continued operation of Nabis as a going concern while maintaining its public company status and value for existing shareholders. If the Amended Arrangement is not approved, a *CCAA* proceeding may likely follow, with prejudicial affects to the Noteholders and the Shareholders.

10. The Petitioner anticipates that at the hearing for approval of the Final Order, they will satisfy this Court that the relevant statutory requirements have been met. Section 228 of the *BCBCA* provides, relevantly:

    a. Despite any other provision of the *BCBCA*, a company may propose an arrangement with shareholders, creditors or other persons and may, in that arrangement, make any proposal it considers appropriate, including a proposal for one or more of the following:

        i. a compromise between the company and its creditors or any class of its creditors, or between the company and the persons holding its securities or any class of those persons; and

    b. Before an arrangement proposed under this section takes effect, the arrangement must be:

        i. adopted in accordance with section 289; and

        ii. approved by the court under section 291.

11. Section 289(1)(d) of the *BCBCA* provides:

    Despite section 264 and 265, an arrangement is adopted for the purposes of section 288(2)(a) if (d) in respect of an arrangement proposed with creditors of the company or a class of creditors of the company, a majority in number and ¾ in value of the creditors or class of creditors, as the case may be, present and voting, either in person or by proxy, approve the arrangement at a meeting if at least 21 days' notice of the meeting, and of the intention to propose the arrangement, has been sent to all of those creditors with whom the arrangement is proposed.

12. Section 289(3) of the *BCBCA* provides that if the court orders, under section 289(2)(b)(i), that a meeting be held to adopt an arrangement in addition to or in substitution for a meeting contemplated by subsection 289(1), the arrangement must not be submitted to the court for approval until after:

    a. the arrangement has been adopted at that court ordered meeting; or

    b. all of the persons who were entitled to vote at that meeting consent to the arrangement in writing.

13. As for whether the proposed arrangement is fair and reasonable, courts require an affirmative answer on two questions:

a. is there a valid business purpose for the arrangement; and

b. does the arrangement resolve objections in a fair and balanced way?

First Bauxite, supra at para 56.

14. A valid business purpose is evidenced by positive business value offsetting the fact that rights are being altered. Put another way, the arrangement has to further the interests of the corporation as an ongoing concern. In *BCE*, the Supreme Court of Canada wrote:

> If the plan of arrangement is necessary for the corporation's continued existence, courts will more willingly approve it despite its prejudicial effect on some security holders. Conversely, if the arrangement is not mandated by the corporation's financial or commercial situation, courts are more cautious and will undertake a careful analysis to ensure that it was not in the sole interest of a particular stakeholder. Thus, the relative necessity of the arrangement may justify negative impact on the interests of affected security holders.

First Bauxite at para 127 citing *BCE* at paras 145-146.

15. Here, the Amended Arrangement is necessary for the Company's continued existence and, in particular:

a. the Amended Arrangement extinguishes the Company's substantial indebtedness and relieves the Company of a significant interest burden on its cash flows;

b. the Amended Arrangement eliminates the Company's exposure to the market price of a passive investment over which the Company's Management cannot exercise any control;

c. the Amended Arrangement permits the Company to maintain a capital structure more closely aligned with other companies of its size and makes the Company relatively more attractive to prospective investors;

d. the Amended Arrangement permits the Company to focus its efforts on attracting investment capital and making investments rather than on managing its liability under the Notes; and

e. the Amended Arrangement makes it more likely that the Company will be of interest to a partner in a merger, amalgamation, or other transaction that would create value for its stakeholders.

16. Therefore, the Company submits that there is a valid business purpose for the Amended Arrangement.

17. As for whether objections are resolved in a fair and balanced way, *indicia* of fairness include the following:

    a. whether the majority of security holders voted to approve the arrangement;

    b. proportionality of compromise between various security holders;

    c. the security holders' position before and after the arrangement;

    d. impact on security holders' rights;

    e. repute of the directors and advisors endorsing the arrangement; and

    f. the presence of a fairness opinion from a reputable expert.

First Bauxite at para 14 citing *BCE* at paras 152-155.

18. In *First Bauxite*, Fitzpatrick J. held that: the shareholder vote, the process by which the arrangement transaction was chosen, the absence of alternatives for the company, the market response and the presence of dissent rights all supported the position that objections were resolved in a fair and balanced way.

First Bauxite at para 144.

19. Here, the comprehensive process that led to the Amended Arrangement, the Company's present financial circumstances, the lack of alternatives available to the Company and the presence of the Updated Fairness Opinion are all relevant to any consideration of fairness. The high degree of support from the Noteholders whose legal rights are being compromised, also supports a finding that it is fair and balanced.

20. With respect to the *BCBCA*, section 289 calls for certain voting thresholds to be met for the adoption of an arrangement. However, shareholder voting is only contemplated in that section where an arrangement is proposed with shareholders. Where, for example, an arrangement is proposed with creditors, section 289 does not call for any vote of shareholders at all.

21. In *Re Telus*, Justice Fitzpatrick accepted that where a stakeholder's legal (as opposed to economic) rights are unaffected, the stakeholder has no right to vote on an arrangement. Accordingly, it is appropriate that Shareholders whose economic interests are not being legally affected, are not required to vote on acceptance of the Plan of Arrangement. The Arrangement does not affect the rights of the Shareholders, and hence shareholder approval of the Arrangement is not required, or being sought, under the provisions of the BCBCA. However, as the Arrangement may constitute a “related party transaction” under MI 61-101, the Company ~~is~~ has, separately ~~seeking~~ obtained Shareholder approval as required by MI 61-101.

Telus Corporation (Re), 2012 BCSC 1919 at paras. 270-288.

22. The Petitioner also relies on Rules 16-1 and 8-1 of the *Supreme Court Civil Rules*.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Bruce Langstaff made September 7, 2021;

2. Affidavit # 2 of Bruce Langstaff made September 7, 2021;

3. the Interim Order of Master Muir made September 14, 2021;

4. the Order of Master Muir made September 27, 2021

5. Affidavit #3 of Bruce Langstaff made November 12, 2021; and

6. Such further and other material as counsel may advise.

The Petitioner estimates that the hearing of the petition will take 45 minutes.

Date: November 12, 2021

Signature of Joelle Walker
Lawyer for Petitioner

(i)	***To be completed by the court only:***
(ii)	
(iii)	Order made
(iv)	☐ in the terms requested in paragraphs .... of Part I of this petition
(v)	☐ with the following variations and additional terms:
(vi)	....
	....
(vii)	....
	....
(viii)	....
	....
(ix)	
(x)	Date: ....
(xi)	Signature of ☐ Judge ☐ Master