



January 24, 2022

Dear NGW Shareholder:

It is my pleasure to extend to you, on behalf of the board of directors (the “**NGW Board**”) of Next Green Wave Holdings Inc. (“**NGW**” or the “**Company**”), an invitation to attend a special meeting (the “**Meeting**”) of the common shareholders of NGW (“**NGW Shareholders**”) to be held on February 25, 2022 at 10:00 a.m. (Vancouver time) in a virtual only meeting format via live webcast online at web.lumiagm.com/247597353. Given the coronavirus (COVID-19) pandemic, its public health impact, the associated current restrictions on and the risk in attending large group gatherings and to mitigate risks to the health and safety of NGW’s community, NGW Shareholders and employees, NGW has made the decision to hold the Meeting in a virtual only format. NGW Shareholders, regardless of geographic location and ownership, will have an opportunity to participate at the Meeting and engage with the directors of NGW and management by following the registration process outlined in the accompanying management information circular (the “**Information Circular**”).

THE TRANSACTION

At the Meeting, you will be asked to consider and, if thought advisable, pass a special resolution (the “**Arrangement Resolution**”) approving the acquisition of NGW by Planet 13 Holdings Inc. (“**Planet 13**”), pursuant to which Planet 13 will acquire all of the issued and outstanding common shares of NGW (each, an “**NGW Share**” and, collectively, the “**NGW Shares**”). The proposed acquisition will be completed by way of a plan of arrangement (the “**Arrangement**”) under the provisions of the *Business Corporations Act* (British Columbia).

The Arrangement is being proposed under the terms of an arrangement agreement dated December 20, 2021 between NGW and Planet 13 (the “**Arrangement Agreement**”). Under the terms of the Arrangement Agreement and based on pricing as of January 21, 2022, NGW Shareholders will receive 0.1145 of a common share of Planet 13 (the “**Exchange Ratio**”) subject to calculations as described below, and C\$0.0001 in cash, for each NGW Share held (the “**Consideration**”). Based on Planet 13’s 10-day volume weighted average price (“**VWAP**”) on the Canadian Securities Exchange (the “**CSE**”) and the Exchange Ratio of 0.1081 as at December 17, 2021 (the last trading day prior to the date of announcement of the Arrangement), the implied deal price per NGW Share is C\$0.465, representing a premium of approximately 52% to the closing price and 44% to the 10-day VWAP of NGW Shares on the CSE as of December 17, 2021. The Exchange Ratio is subject to adjustment as follows:

- If the 10-day VWAP of Planet 13 common shares (the “**Planet 13 Common Shares**”) on the CSE immediately preceding the second business day prior to the closing of the Arrangement (the “**Planet 13 Closing Price**”) is below C\$5.50 but above C\$4.06, then the Exchange Ratio will be calculated as C\$0.4650 divided by the Planet 13 Closing Price;
- If the Planet 13 Closing Price is less than or equal to C\$4.06, then the Exchange Ratio shall be 0.1145; and
- If the Planet 13 Closing Price is greater than or equal to C\$5.50, then the Exchange Ratio shall be 0.0845.

In addition, all outstanding NGW options to acquire NGW Shares will be exchanged for options of Planet 13 that will entitle the holders to receive, upon exercise thereof, Planet 13 Common Shares based upon the Exchange Ratio.

After giving effect to the Arrangement, and based on pricing as of January 21, 2022, NGW Shareholders will hold approximately 9.65% ownership in the pro-forma company (on a fully-diluted basis).

BOARD RECOMMENDATION

The NGW Board formed a special committee of independent members (the “**Special Committee**”) to, among other things, review and evaluate the terms of the Arrangement, to make a recommendation to the NGW Board in respect of the Arrangement and to negotiate the terms and conditions of the Arrangement Agreement and related matters. The NGW Board and the Special Committee obtained fairness opinions from each of INFOR Financial Inc. and Evans & Evans, Inc. (collectively, the “**Fairness Opinions**”) stating that, as of the date of the respective opinions and based upon and subject to the assumptions, qualifications and limitations contained in such opinions, the consideration to be received by NGW Shareholders pursuant to the Arrangement is fair, from a financial point of view, to NGW Shareholders. Based on the advice and recommendation of the Special Committee, the NGW Board determined that the Arrangement is fair to NGW Shareholders, that the Arrangement is in the best interests of NGW and unanimously recommends that NGW Shareholders vote FOR the Arrangement Resolution.

REASONS FOR THE ARRANGEMENT

The recommendation of the Special Committee and the NGW Board that NGW Shareholders vote FOR the Arrangement Resolution is based on various factors, including those presented below. A full description of the information and factors considered by the Special Committee and the NGW Board is located in the accompanying Information Circular.

- *Ability to Participate in Future Potential Growth of Planet 13.* The Consideration being offered to the NGW Shareholders under the Arrangement allows NGW Shareholders to have an opportunity to participate in any potential increase in the value of Planet 13 after the effective date of the Arrangement (the “**Effective Date**”). The value of Planet 13 after the Effective Date may benefit from, among other things, the following:
 - *Strength of Planet 13 following the Arrangement.* NGW’s operations will serve as the backbone of Planet 13’s continued focus on the California market. NGW will enable Planet 13 to introduce their diverse brand portfolio of exotic, pheno-hunted cultivars to the Santa Ana SuperStore as well as across the state. In addition, NGW Shareholders will participate fully in the upside of Planet 13’s upcoming expansions into Illinois and Florida.
 - *Deepened Knowledge Base and Expertise.* Planet 13 to retain NGW’s management team, deepening the pro forma company’s knowledge base and expertise across the California market.
 - *Expanded Cultivation Capabilities, Product Offerings, Consistency and Proficiency.* Planet 13 to benefit from NGW’s highly respected cultivation techniques and pheno-hunted cultivars, greatly expanding the pro forma company’s cultivation capabilities, product offerings, consistency and proficiency.
 - *Operational and Development Synergies.* The combined experience and expertise of the Planet 13 and NGW operational teams is expected to drive further improvements across the pro forma company’s footprint and give rise to operational and development synergies to be realized in the near term and over time. These synergies include the ability to sell NGW’s flower through Planet 13’s retail location in Santa Ana, resulting in increased margins; the ability to introduce Planet 13 flower strains to the NGW cultivation facility in order to produce Planet 13 branded flower for sale at the Santa Ana retail location; leveraging the management expertise of NGW to assist with the development of a production/manufacturing facility in California in order to be able to introduce the Planet 13 product portfolio (HaHa Beverages and gummies, Dreamland Chocolates, Trendi vapes, Leaf & Vine vapes and flower and Medizin branded flower and concentrates) to the California market. In addition the management knowledge and expertise of the NGW team will be further deployed into the Florida and Illinois markets to assist with the buildout of cultivation and retail assets in each of those states.

- *Significant Premium to the NGW Shareholders.* As of December 17, 2021, the last trading day prior to the date of announcement of the Arrangement, the implied offer price per NGW Share represents:
 - a premium of approximately 44% based on the ten day VWAP of NGW Shares and Planet 13 Common Shares;
 - a premium of approximately 39% based on the 30 day VWAP of NGW Shares and Planet 13 Common Shares; and
 - a premium of approximately 38% based on the 60 day VWAP of NGW Shares and Planet 13 Common Shares.
- *Fairness Opinions.* The NGW Board and the Special Committee received the Fairness Opinions, which provided that, as of the date of such opinions, based upon and subject to the assumptions, limitations and qualifications set out therein, the Consideration to be received by the NGW Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the NGW Shareholders. See “*The Arrangement – Fairness Opinions*”.
- *Increased Trading Liquidity.* After completion of the Arrangement, Planet 13 will have a broader shareholder base and an expected increased trading liquidity and a larger public float than NGW presently holds. The expected increased market capitalization and trading liquidity upon completion of the Arrangement is anticipated to broaden Planet 13’s investor appeal with enhanced market interest and analyst coverage. By contrast, NGW has historically experienced limited trading liquidity, which makes it difficult for NGW Shareholders to realize meaningful liquidity through the public markets on which the NGW Shares trade.
- *Consideration of Strategic Alternatives.* The NGW Board and the Special Committee conducted a review of various strategic alternatives, including NGW continuing to operate as an independent stand-alone business or pursuing strategic or sale arrangements with other parties. In furtherance of the foregoing, the NGW Board and the Special Committee took into consideration the potential rewards, risks and uncertainties associated with these and other alternatives, including stock market uncertainties which could affect the value of the NGW Shares. Following a consideration of the alternatives available to the Company, the NGW Board and the Special Committee concluded that the Arrangement is the most favourable alternative for NGW to pursue (and can be achieved with less risk) than the value that might have been realized through pursuing other alternatives reasonably available to NGW.
- *Procedural Safeguards.* For the Arrangement to proceed, among other things, (i) the Arrangement Resolution must be approved by not less than two-thirds of the votes cast at the Meeting by NGW Shareholders virtually present or represented by proxy and entitled to vote at the Meeting, (ii) the Arrangement must be approved by the Supreme Court of British Columbia, which will consider, among other things, the fairness of the Arrangement. In addition, NGW Shareholders have been provided with dissent rights with respect to the Arrangement in accordance with Sections 237 to 247 of the *Business Corporations Act* (British Columbia).
- *Arm’s Length Negotiations and Oversight.* The Arrangement Agreement is the result of robust, arm’s length negotiations involving the Company, on the one hand, and Planet 13, on the other hand. Extensive financial, legal and other advice was provided to the Special Committee and the NGW Board. Such advice included detailed financial advice from highly qualified financial advisors, including with respect to remaining an independent publicly traded company and continuing to pursue the Company’s business plan on a stand-alone basis.
- *Director & Officer and Shareholder Support.* Directors, executive officers and certain supporting shareholders of NGW, representing in the aggregate approximately 21% of the issued and outstanding NGW Shares, have entered into Support Agreements (as defined in the accompanying Information Circular) pursuant to which each has agreed to vote in favour of the Arrangement Resolution, subject to customary exceptions.

- *Ability to Respond to Superior Proposal.* Under the Arrangement Agreement, the NGW Board, in certain circumstances, is able to consider, accept and enter into a definitive agreement with respect to a Superior Proposal (as defined in the accompanying Information Circular), or withdraw, modify or amend its recommendation that NGW Shareholders vote to approve the Arrangement Resolution. In the view of the NGW Board and the Special Committee, the amount of the Termination Fee (as defined in the accompanying Information Circular) (being \$3.25 million), which is payable by the Company in certain circumstances described under “*The Arrangement Agreement – Termination Payment*” would not preclude a third party from making a Superior Proposal.
- *Limited Conditions to Closing.* Planet 13’s obligation to complete the transaction is subject to a limited number of customary conditions the Special Committee and the NGW Board believe are reasonable in the circumstances. The completion of the Arrangement is not subject to any financing condition or approval by shareholders of Planet 13.
- *Dissent Rights.* NGW Shareholders have the right to dissent with respect to the Arrangement Resolution and demand payment of the fair value of their NGW Shares.

In the course of their deliberations, the Special Committee and the NGW Board also identified and considered a variety of risks (as described in greater detail under “*Risk Factors*”) and potentially negative factors relating to the Arrangement, including the following:

- the risks to the Company if the Arrangement is not completed, including the costs to the Company in pursuit of the Arrangement, the diversion of management’s attention away from conducting the Company’s business in the ordinary course and the potential impact on the Company’s current business relationships (including with current and prospective employees, customers, suppliers and partners);
- the limitations contained in the Arrangement Agreement on the Company’s ability to solicit alternative transactions from third parties, as well as the fact that if the Arrangement Agreement is terminated in certain circumstances the Company may be required to pay the Termination Fee or the expense reimbursement fee of up \$1 million, which may adversely affect the Company’s financial condition;
- the fact that if the Arrangement Agreement is terminated and the NGW Board decides to seek another transaction or business combination, there is no assurance that the Company will be able to find a party willing to pay greater or equivalent value compared to the Consideration available to NGW Shareholders under the Arrangement or that the continued operation of the Company under its current business model will yield equivalent or greater value to NGW Shareholders compared to that available under the Arrangement Agreement;
- the restrictions imposed pursuant to the Arrangement Agreement on the conduct of the Company’s business and operations during the period between the execution of the Arrangement Agreement and the consummation of the Arrangement or the termination of the Arrangement Agreement;
- the conditions to Planet 13’s obligation to complete the Arrangement and the rights of Planet 13 to terminate the Arrangement Agreement in certain circumstances;
- the fact that under the Arrangement Agreement, the Company’s directors and certain of its executive officers may receive benefits that differ from, or be in addition to, the interests of Shareholders generally as described under “*The Arrangement – Interests of Certain Persons in the Arrangement*”; and
- other risks associated with the parties’ ability to complete the Arrangement.

In reaching their respective determinations, the Special Committee and the NGW Board also considered and evaluated, among other things, current industry, economic and market conditions and trends, including the impact of the COVID-19 pandemic; and other stakeholders, including creditors, employees, customers and the

communities in which the Company operates, and noted in this regard the longer-term prospects of Planet 13 whose financial and strategic resources are well-suited to the underlying nature of the Company's business.

The Special Committee and the NGW Board's reasons for recommending the Arrangement include certain assumptions relating to forward-looking information, and such information and assumptions are subject to various risks. See "*Management Information Circular – Forward-Looking Statements*" and "*Risk Factors*".

SUPPORT AGREEMENTS

All of the directors and officers of NGW and a certain NGW Shareholder (who hold in the aggregate approximately 21% of the issued and outstanding NGW Shares as of the Record Date (as defined below)) have entered into Support Agreements with Planet 13 pursuant to which they have agreed, among other things, to support the Arrangement and vote their NGW Shares FOR the approval of the Arrangement.

APPROVAL REQUIREMENTS

The NGW Board has set the close of business on December 31, 2021 (the "**Record Date**") as the record date for determining the NGW Shareholders who are entitled to receive notice of, and to vote at, the Meeting. Only persons shown on the register of NGW Shareholders at the close of business on that date, or their duly appointed proxyholders, will be entitled to attend the Meeting and vote on the Arrangement Resolution. Each NGW Share entitled to be voted at the Meeting will entitle the holder thereof as of the Record Date to one (1) vote at the Meeting in respect of the Arrangement Resolution.

The Arrangement Resolution must be approved by not less than two-thirds (66⅔%) of the votes cast on the Arrangement Resolution by NGW Shareholders present in person or represented by proxy and entitled to vote at the Meeting. The completion of the Arrangement is also conditional upon the approval of the Supreme Court of British Columbia and satisfaction of other customary approvals including regulatory and third party approvals.

The Information Circular contains a detailed description of the Arrangement and other information relating to NGW and Planet 13, including the Planet 13 Common Shares. We urge you to consider carefully all of the information in the Information Circular. If you require assistance, please consult your financial, legal or other professional advisor. If you have any questions or need assistance voting your securities, please contact the strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, by telephone at 1-800-749-9052 toll-free in North America, 1-416-867-2272 outside of North America, or by email at contactus@kingsdaleadvisors.com.

If you are a non-registered holder of NGW Shares and have received these materials through your broker or through another intermediary, please complete and return the proxy or other authorization provided to you by your broker or by such other intermediary in accordance with the instructions provided with the proxy. Failure to do so will result in your NGW Shares not being eligible to be voted at the Meeting. This is an important matter affecting the future of NGW and your vote is important regardless of the number of NGW Shares that you own.

To be eligible to vote at the Meeting, the form of proxy must be returned to or deposited with Odyssey Trust Company ("**Odyssey**"), at the address specified in the form of proxy, not later than 10:00 a.m. (Vancouver time) on February 23, 2022, or if the Meeting is adjourned or postponed, prior to 10:00 a.m. (Vancouver time) on the day (other than a Saturday, Sunday or any other holiday in Toronto, Ontario and Vancouver, British Columbia) which is two days before the date to which the Meeting is adjourned or postponed.

We encourage registered NGW Shareholders who are supportive of the Arrangement to complete and return the enclosed letter of transmittal and election form (the "**Letter of Transmittal**"), together with the certificate(s) or direct registration system advice ("**DRS Statement**") representing your NGW Shares, to Odyssey, in its capacity as the depository (the "**Depository**"), at the address specified in the Letter of Transmittal. The Letter of Transmittal contains other procedural information relating to the Arrangement and should be reviewed carefully. It is recommended that you complete, sign and return the Letter of Transmittal together with your common share certificate(s) or DRS Statement representing your NGW Shares to the Depository as soon as possible. **If you are a non-registered holder of NGW Shares and have received these materials through your broker or through another intermediary, you will not receive a Letter of Transmittal and you should follow the instructions of your intermediary.**

If the NGW Shareholders approve the Arrangement and all of the conditions to the Arrangement are satisfied or, where permitted, waived, it is anticipated that the Arrangement will be completed on or about March 2, 2022.

On behalf of NGW, we would like to thank all our shareholders for their ongoing support as we prepare to take part in this important event for NGW.

Yours truly,

“Michael Jennings”

Michael Jennings
Chief Executive Officer

If you receive more than one proxy or voting instruction form (as applicable), it is because your shares are registered in more than one name or are held in more than one account. You should sign and submit all proxies or voting instruction forms that you receive to ensure all of your shares are voted. If you have any questions with regard to the procedures for voting, please contact NGW’s strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, by telephone at 1-800-749-9052 toll-free in North America, 1-416- 867-2272 outside of North America, or by e-mail at contactus@kingsdaleadvisors.com.