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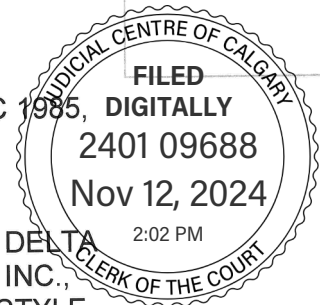
JUDICIAL CENTRE

CALGARY

Clerk's stamp

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC 1985,
c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF DELTA
9 CANNABIS INC., DELTA 9 LOGISTICS INC.,
DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE
CANNABIS CLINIC INC. and DELTA 9
CANNABIS STORE INC.



APPLICANTS

DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS
INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA
9 CANNABIS STORE INC.

DOCUMENT

FIFTH AFFIDAVIT OF JOHN ARBUTHNOT IV

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

MLT AIKINS LLP

Barristers and Solicitors
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File No. 0136555.00034

FIFTH AFFIDAVIT OF JOHN ARBUTHNOT IV
Sworn on November 8, 2024

I, John Arbuthnot IV, of the City of Winnipeg, in the Province of Manitoba, SWEAR AND SAY
THAT:

1. I am the Chief Executive Officer ("**CEO**") and director of Delta 9 Cannabis Inc. ("**D9 Parent**") and a director and president of Delta 9 Logistics Inc. ("**Logistics**"), Delta 9 Bio-Tech Inc. ("**Bio-Tech**"), Delta 9 Lifestyle Cannabis Clinic Inc. ("**Lifestyle**") and Delta 9 Cannabis Store Inc. ("**Store**"; collectively, the "**Applicants**" or "**Delta 9**"). As such, I have personal knowledge of the matters deposed to in this Affidavit, except where stated to be based on information and belief, in which case, I verily believe the same to be true.

2. As a director and officer, I am responsible for managing the Applicants' overall operations and resources and making strategic business decisions. I have been in my current role as a director and officer for over six years, since shortly after D9 Parent went public in November 2017.

I. RELIEF SOUGHT

3. This affidavit (the "**Fifth Affidavit**") is sworn in support of an application scheduled for November 15, 2024 for: (i) an order approving the sale and vesting of certain assets of Bio-Tech to 10213358 Manitoba Ltd. (the "**Purchaser**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"); and (ii) a temporary sealing order in respect of the Confidential Exhibit to the Fifth Affidavit and the Confidential Appendices to the Fourth Report of Alvarez & Marsal Canada Inc. (the "**Monitor**"), to be filed (the "**Fourth Report**").

II. BACKGROUND

4. Delta 9 is a vertically integrated group of companies in the business of cannabis cultivation, processing, extraction, wholesale distribution, retail sales, and business to business sales.
5. Bio-Tech is the licensed producer in the Applicants' corporate structure. It holds a license pursuant to the *Cannabis Act*, SC 2018, c 16, from Health Canada permitting Bio-Tech to produce and sell cannabis oils, extracts and derivative products.
6. Bio-Tech also owns and operates a 95,000 square-foot cannabis cultivation and processing facility located in Winnipeg, Manitoba (the "**Cultivation Facility**"). The Cultivation Facility contains 297 modular "grow pods", which are 320 square-foot shipping containers that have been retrofitted to support specific, micro-cultivation processes for the cultivation of certain types of cannabis plants (collectively, the "**Grow Pods**").
7. The Grow Pods are customized for flowering, trimming, cloning, research, testing, support and storage.
8. Bio-Tech owns all of the inventory and intellectual property associated with the Grow Pods in its own name.

III. STATUS OF THE SISP

9. Delta 9 continues to actively assist in the advancement of the SISP, in collaboration with the Monitor.
10. I understand that the Monitor intends to provide the Court with a more detailed description of the SISP in its Fourth Report. At a high level, since the close of the bid deadline on October 28, 2024, Delta 9 has worked with the Monitor to review and assess bids, and is engaged in negotiations with successful bidders to finalize their respective asset purchase agreements and advance Delta 9's goals of ensuring all of Bio-Tech's assets and/or business are transferred to bidders and the proceeds obtained therefrom are maximized.

IV. THE PURCHASED ASSETS

11. Bio-Tech, with the assistance of the Monitor, selected a bid tendered within the SISP by the Purchaser for the purchase of 17 of the Grow Pods, intellectual property and certain enumerated personal property, as more fully particularized in the Sale Agreement (collectively, the "**Purchased Assets**").
12. The Purchaser's bid was the best overall received for the Purchased Assets, taking into account the purchase price, the certainty of the Purchaser's ability to close, and other material terms of the transaction.
13. The Purchaser's bid was not subject to any material conditions other than the requirement for Court approval. As such, I believe that the risk of non-closure of the Proposed Transaction is minimal.
14. I further believe that the Purchaser's bid will achieve the highest recovery for all stakeholders with respect to the Purchased Assets.
15. An unredacted copy of the Sale Agreement is attached hereto as **Confidential Exhibit "A"**.
16. I understand that an executed unredacted copy of the Sale Agreement will be attached as a Confidential Appendix to a Report of the Monitor.

