Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

MOTION RECORD OF THE APPLICANTS

(Returnable June 1, 2026)

May 28, 2026

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Applicants

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INDEX

TAB 1

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Applicants

NOTICE OF MOTION
(Returnable June 1, 2026)
(Third Amended and Restated Initial Order and Claims Procedure Order)

Ayurcann Holdings Corp. ("**Ayurcann Parent**") and Ayurcann Inc. ("**Ayurcann**" and together with Ayurcann Parent, the "**Applicants**" or the "**Company**") will make a motion pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**"), before the Honourable Justice Kimmel of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") at 12:00 p.m. (ET) on June 1, 2026 or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard via videoconference. Zoom details will be provided by the Court.

THE MOTION IS FOR:

1. A Third Amended and Restated Initial Order (the "**Third ARIO**"), among other things:

(a) effective upon the DIP Assignment Closing Time (as defined below):

(i) approving Ayurcann's ability to borrow under an amended and restated debtor-in-possession credit facility (the "**Amended and Restated DIP Facility**") to finance the Company's critically required working capital requirements and other general corporate purposes, post-filing and professional expenses, and costs;

(ii) replacing Auxly Cannabis Group Inc. ("**Auxly**"), in its capacity as the Original DIP Lender (as defined below), with Emblem Cannabis Corporation ("**Emblem**" and in such capacity, the "**Replacement DIP Lender**"); and

(iii) increasing the DIP Lender's Charge up to a maximum amount of $3,000,000, plus accrued and unpaid interest, fees and expenses; and

(b) extending the Stay Period (as defined below) to and including August 31, 2026 (the "**Stay Extension**").

2. An order (the "**Claims Procedure Order**"), among other things:

(a) establishing a procedure for the identification, qualification and resolution of claims against the Applicants (the "**Claims Process**"); and

(b) authorizing, directing and empowering the Applicants and the Monitor (as defined below) to take such actions as are contemplated by the Claims Procedure Order.

3. Such further and other relief as this Court deems just.

4. All capitalized terms used but not otherwise defined herein have the meanings ascribed to them, as the case may be, in:

(a) the affidavit of Igal Sudman sworn January 29, 2026;

(b) the affidavit of Igal Sudman sworn February 8, 2026;

(c) the affidavit of Igal Sudman sworn April 22, 2026; and

(d) the affidavit of Igal Sudman sworn May 28, 2026 (the "**Fifth Sudman Affidavit**").

THE GROUNDS FOR THIS MOTION ARE:

Introduction and Background

5. The Company's business focuses on the production and sale of cannabis products in recreational markets across Canada (the "**Business**"). Through Ayurcann, the Company holds certain cannabis licences with Health Canada and the Canada Revenue Agency (collectively, the "**Licences**"). All of the Company's cannabis production, processing, distribution and packaging takes place at a licensed facility leased by Ayurcann in Pickering, Ontario.

6. On January 30, 2026, the Honourable Justice Kimmel granted an Initial Order in the Applicants' proceedings (the "**CCAA Proceedings**") under the CCAA, that, among other things:

(a) declared that the Applicants are parties to which the CCAA applies;

(b) appointed Alvarez & Marsal Canada Inc. as the monitor of the Applicants (in such capacity, the "**Monitor**");

(c) granted an initial stay of proceedings in favour of the Applicants, Ayurcann Holding Corp. and Can Ayurcann Merger Sub Inc. and their respective Directors and Officers, until and including February 9, 2026 (the "**Stay Period**"); and

(d) granted the Administration Charge and the Directors' Charge.

7. On February 9, 2026, the Court granted an Amended and Restated Initial Order, which, among other things:

(a) extended the Stay Period until and including February 27, 2026;

(b) approved a key employee retention plan and granted a related super-priority charge;

(c) increased the quantum of the Administration Charge and the Directors' Charge; and

(d) preserved the *status quo* of the Licences.

8. On February 13, 2026, the Court granted two orders:

(a) a Second Amended and Restated Initial Order (the "**Second ARIO**"), which, among other things:

(i) approved Ayurcann's ability to borrow up to a principal amount of $2,000,000 under a debtor-in-possession credit facility (the "**Original DIP Facility**" and the agreement related thereto, as amended from time to time, the "**Original DIP Agreement**") to finance the Company's critically required working capital requirements and other general corporate purposes, post-filing and professional expenses, and costs;

(ii) granted a related priority charge in favour of Auxly, (in such capacity, the "**Original DIP Lender**") up to a maximum amount of $2,000,000 (the "**Original DIP Facility Limit**"), plus accrued and unpaid interest, fees and expenses, with the priority set out in the Second ARIO; and

(iii) extended the Stay Period to and until April 30, 2026; and

(b) an order Sale Process Approval Order, which, among other things:

(i) authorized and approved the Applicants' execution of the Stalking Horse Purchase Agreement;

(ii) approved a sale process (the "**Sale Process**") in respect of the Applicants in which the Stalking Horse Purchase Agreement served as the Stalking Horse Bid and authorized the Applicants and the Monitor to implement the Sale Process pursuant to its terms; and

(iii) authorized and directed the Applicants and the Monitor to perform their respective obligations and do all things reasonably necessary to perform their obligations under the Sale Process.

9. Most recently, on April 28, 2026, the Applicants obtained an order (the "**Approval and Reverse Vesting Order**"), which, among other things:

(a) approved the agreement of purchase and sale between the Applicants and Emblem Cannabis Corporation (in such capacity, the "**Purchaser**") dated March 31, 2026 (as amended, the "**Purchase Agreement**"), *nunc pro tunc*, with such minor

amendments as the Applicants and the Purchaser may deem necessary, with the consent of the Monitor;

(b) authorized the Applicants and the Monitor to take such steps and actions necessary to complete the transactions contemplated in the Purchase Agreement (the "**Emblem Transaction**");

(c) approved the Stalking Horse Purchase Agreement as the Back-Up Bid;

(d) approved the vesting of the Purchased Shares (as defined in the Purchase Agreement) in the Purchaser and confirmed that Ayurcann retains the Retained Assets and the Retained Contracts, each in accordance with the closing sequence set out in the Approval and Reverse Vesting Order and free and clear from any Encumbrances;

(e) granted certain releases in favour of certain Released Parties; and

(f) authorized and empowered the Monitor, upon delivery of the Monitor's Certificate, to exercise expanded powers in respect of Residual Co., including managing its property, operations and affairs, and provided certain protections to the Monitor in connection therewith.

10. Following the Approval and Reverse Vesting Order, the Applicants and the Purchaser, with the assistance of the Monitor, have been working diligently to close the Emblem Transaction. For example, new employment agreements were delivered to all retained employees on May 25, 2026, and the form of all or substantially all of the closing documents have been settled. The only material closing condition outstanding is for Health Canada to complete its change of control

compliance assessment (the "**Health Canada Assessment**"), as required under the *Cannabis Act*, S.C. 2018, c. 16 and its Regulations. It is a closing condition under the Purchase Agreement that the proposed Emblem Transaction passes the Health Canada Assessment.

11. The Applicants continue to engage with Health Canada in an effort to expedite completion of the Health Canada Assessment, including by responding to all information requests received to date. Representatives of Health Canada have advised that the Health Canada Assessment is progressing in accordance with established approval timelines. The Applicants remain optimistic that the Health Canada Assessment will be completed within weeks if not sooner.

12. The outside date of the Emblem Transaction was originally May 15, 2026 (as extended from time to time, the "**Outside Date**"), being the same date as the maturity date under the Original DIP Facility (as extended from time to time, the "**Maturity Date**"). Due to the aforementioned delays, the Applicants, the Purchaser and the Original DIP Lender (as applicable) agreed to extend the Outside Date to May 29, 2026 and the Maturity Date to May 31, 2026.[1]

13. These dates were intentionally selected because the Applicants were not forecasted to have sufficient availability under the Original DIP Facility to satisfy certain expenses and liabilities due on June 1, 2026, including Ayurcann's monthly excise tax obligations. Upon closing of the Emblem Transaction, it was anticipated that such obligations would become the responsibility of the Purchaser and be paid in the ordinary course outside of these proceedings. However, because the Emblem Transaction has not yet closed, the Applicants will remain responsible for these upcoming payments.

[1] The DIP Lender has agreed to extend the Maturity Date to June 5, 2026, to allow for this motion to proceed.

14. Accordingly, the Applicants now seek the approval of the Amended and Restated DIP Facility on an urgent basis. As reflected in the Revised Cash Flow Forecast (as defined below), the Applicants are not forecasted to have sufficient liquidity to repay the Original DIP Facility, while also funding their ordinary course obligations as they become due. Accordingly, absent additional financing, the Applicants are expected to experience critical liquidity shortfalls in the immediate term. The Amended and Restated DIP Facility, if approved, will provide the Applicants with sufficient liquidity to repay the Original DIP Facility by the extended Maturity Date and fund their ordinary course obligations until Closing.

15. Notably, the possibility of needing additional funding due to regulatory delays was explicitly contemplated under Section 7.8 of the Purchase Agreement, which states that if closing cannot occur by the Outside Date because regulatory consents and approvals have not been obtained, the Purchaser and the Applicants will negotiate, in good faith, appropriate funding requirements necessary to maintain ordinary-course operations. Further, since Emblem will be acting as both lender and purchaser, its interests will be aligned with completing the Emblem Transaction as efficiently and cost-effectively as possible, which will benefit the Applicants and their stakeholders.

16. The Applicants and the Purchaser have also agreed to amended the Purchase Agreement, with the consent of the Monitor, to, among other things, (i) further extend the Outside Date to June 30, 2026, and (ii) allow Emblem to credit bid any indebtedness owing under the Amended and Restated DIP Facility at Closing. In accordance with Section 7.8 of the Purchase Agreement, the purchase price shall be adjusted upwards, dollar-for-dollar, to the extent of any additional interim funding requirements in excess of the Original DIP Facility Limit (the "**Purchase Price Mechanics**"). The Purchase Price Mechanics ensure that the funds available for distribution to the

Applicants' creditors remain the same as under the original Purchase Agreement and that no creditor will be prejudiced by the Amended and Restated DIP Facility.

The Third ARIO

Replacement DIP Financing

17. The Original DIP Lender and the Replacement DIP Lender are finalizing the terms of an assignment of debt and security pursuant to which, the Original DIP Lender has agreed to assign, and the Replacement DIP Lender has agreed to assume, the Indebtedness and security under the Original DIP Facility (the "**DIP Indebtedness**"). As consideration for this assignment, the Replacement DIP Lender will pay an amount equal to the DIP Indebtedness to the Original DIP Lender (the time of such payment being, the "**DIP Assignment Closing Time**").

18. Ayurcann, as borrower, Ayurcann Parent, as guarantor, and the Replacement DIP Lender, have agreed to the terms of an amended and restated DIP Agreement (the "**Replacement DIP Agreement**"), which will be signed in escrow in advance of the upcoming motion.

19. Other than the difference of the principal maximum under the DIP facilities from $2,000,000 to $3,000,000, the terms of the Amended and Restated DIP Facility are materially identical to the Original DIP Facility (subject to certain clean up changes).

20. As reflected in the Revised Cash Flow Forecast, the Applicants will require the Amended and Restated DIP Facility to satisfy working capital needs and maintain ordinary course operations, including their monthly excise tax payments due on June 1, 2026. The Amended and Restated DIP Facility is only intended to act as a temporary solution to ensure the Applicants have sufficient liquidity to satisfy their ordinary course obligations until the Health Canada Assessment

is complete. Once the Emblem Transaction closes, the Amended and Restated DIP Facility will be satisfied in full through the Purchase Price Mechanics.

21. In accordance with the proposed Third ARIO, advances made under the Amended and Restated DIP Facility will continue to be secured by the DIP Lender's Charge (now in favour of the Replacement DIP Lender, should the requested relief be granted). Once the Amended and Restated DIP Facility has been repaid in full, the DIP Lender's Charge will be terminated, released and discharged.

22. The Monitor has been consulted throughout the negotiations relating to the Amended and Restated DIP Facility, and supports the Amended and Restated DIP Facility and considers it appropriate in the circumstances. The Original DIP Lender and Emblem both support the proposed relief.

Stay Extension

23. The Stay Period is set to expire on June 30, 2026. Pursuant to the proposed Third ARIO, the Applicants are seeking to extend the Stay Period until and including August 31, 2026.

24. It is both necessary and in the best interests of the Applicants and their stakeholders that the Stay Period be extended. The additional breathing room provided by the Stay Extension will enable the Applicants to repay the Original DIP Facility, close the Emblem Transaction, assist the Monitor with the administration of the Claims Process, and begin preparations for the winddown of Residual Co.'s estate. The Applicants intend to return to the Court before the expiry of the proposed Stay Extension to seek approval of certain distribution mechanics and other ancillary relief necessary to bring the CCAA Proceedings to an end.

25. The Applicants have acted in good faith and with due diligence throughout these CCAA Proceedings. In particular, since the granting of the Approval and Reverse Vesting Order, the Applicants have:

(a) continued to liaise with the Monitor, Emblem, the Original DIP Lender, and various stakeholders, while continuing to operate the Applicants' Business in these CCAA Proceedings;

(b) negotiated the terms of the Amended and Restated DIP Facility;

(c) worked with the Monitor and the Purchaser to advance several closing workstreams to facilitate the orderly and timely closing of the Emblem Transaction, including coordinating the delivery of the retained employees' offers of employment, drafting closing documents and responding to various information requests from Health Canada as part of the Health Canada Assessment;

(d) engaged in ongoing coordination meetings with the Purchaser and its counsel, which were aimed at ensuring an orderly and efficient transition of the Business;

(e) with the assistance of the Monitor, prepared weekly reporting to the Original DIP Lender and prepared the Revised Cash Flow Forecast;

(f) prepared, in consultation with the Monitor, the Claims Process; and

(g) prepared the within motion materials.

26. The Applicants, with the assistance of the Monitor, have prepared a revised cash flow forecast to determine their funding requirements during the proposed Stay Extension (the "**Revised**

Cash Flow Forecast"). A copy of the Revised Cash Flow Forecast will be attached to the Fourth Report of the Monitor, to be filed (the "**Fourth Report**"), and will demonstrate that if the Amended and Restated DIP Facility is approved, the Applicants are forecasted to have sufficient liquidity to fund their obligations and the costs of these CCAA Proceedings through the end of the extended Stay Period.

27. The Monitor supports the proposed Stay Extension and does not believe that any stakeholder will be materially prejudiced by the granting of the extension of the Stay Period.

The Claims Procedure Order[2]

28. The Claims Process will be conducted by the Monitor, in consultation with the Applicants, in accordance with the terms of the proposed Claims Procedure Order.

29. The Claims Process is intended to provide a comprehensive, fair, flexible and efficient means of identifying, and quantifying Claims against the Applicants. Once the universe of Claims against the Applicants is identified through the Claims Process, the Applicants intend to return to Court to seek relief to make a distribution to creditors.

30. The salient terms of the Claims Process are described below.

Notice to Claimants

31. The proposed Claims Procedure Order requires the Monitor to provide a copy of the Claims Package no later than five (5) Business Days following the granting of the Claims Procedure Order

[2] In this section, capitalized terms not otherwise defined herein have the meanings ascribed to them in the proposed Claims Procedure Order.

or as soon as practicable thereafter to all Known Claimants. Additionally, the proposed Claims Procedure Order requires the Monitor to:

(a) post a copy of the Claims Procedure Order, the Applicants' Motion Record in respect of the Claims Procedure Order, the Claims Package, and any other materials filed with the Court pertaining to the Claims Procedure Order, on the Monitor's Website as soon as practicable following the granting of the Claims Procedure Order, and to cause it to remain posted thereon at least until its discharge as Monitor of the Applicants;

(b) cause a notice of the granting of this Claims Procedure Order and the Claims Process to be published by the Monitor, for at least one (1) Business Day, in *The Globe and Mail (National Edition)*;

(c) deliver a copy of the Claims Package to any Person claiming to be a Claimant and requesting such material in writing, as soon as reasonably practicable following receipt of a request therefor; and

(d) upon becoming aware of any circumstance giving rise to a Restructuring Period Claim, send a Claims Package to the applicable potential Claimant or direct such potential Claimant to the documents posted on the Monitor's Website in respect of such Restructuring Period Claim.

32. The Claims Packages are intended to provide Known Claimants and potential Claimants with notice of the Claims Process, and the applicable Bar Dates, and information with respect to the submission of a Proof of Claim and a Notice of Dispute of Revision or Disallowance.

Claims Bar Dates and Filing of a Proof of Claim

33. Pursuant to the proposed Claims Procedure Order, any Claimant that wishes to assert a Pre-Filing Claim or a Restructuring Period Claim must do so by delivering a Proof of Claim, including all relevant supporting documentation, to the Monitor by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable.

34. The Claims Bar Date is 5:00 p.m. (Eastern Prevailing Time) on July 16, 2026 (being 45 days after the issuance of the Claims Procedure Order, if granted), or such later date as may be ordered by the Court. The Restructuring Period Claims Bar Date is the later of (i) the Claims Bar Date and (ii) 5:00 p.m. (Eastern Prevailing Time) on the date that is twenty (20) Business Days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim to a Claimant.

35. The Monitor is supportive of the Claims Bar Date and the other timelines contemplated under the proposed Claims Procedure Order and believes such timelines are appropriate in the circumstances.

36. Any Person that does not deliver a Proof of Claim so that it is actually received by the Monitor on or before the applicable Bar Date shall:

(a) not be entitled to attend or vote at a Meeting in respect of such Claim;

(b) not be entitled to receive any distribution in respect of such Claim pursuant to a Plan or otherwise;

(c) not be entitled to any further notice in the CCAA Proceedings (unless it has otherwise sought to be included on the Service List) with respect to, and not be

entitled to participate as a Claimant or creditor in, the Claims Process or the CCAA Proceedings in respect of such Claim; and

(d) be forever barred, estopped and enjoined from making or enforcing such Claim, and the Applicants shall not have any liability whatsoever in respect of such Claim, and such Claim shall be extinguished without any further act or notification.

37. The proposed Claims Procedure Order does not affect Excluded Claims. Accordingly, any Person holding an Excluded Claim is not required to file a Proof of Claim in respect of such Excluded Claim. Pursuant to the proposed Claims Procedure Order, the following are Excluded Claims:

(a) any Claim secured by any of the CCAA Charges, including any Claim of either the Original DIP Lender or the Replacement DIP Lender with respect to any advances made under the Original DIP Agreement or the Replacement DIP Agreement, as applicable;

(b) any intercompany claims solely as between the Applicants;

(c) any claim enumerated in subsections 5.1(2) and 19(2) of the CCAA; and

(d) any Excluded Claim arising through subrogation.

Assessment and Determination of Claims Against the Applicants

38. Pursuant to the proposed Claims Procedure Order, the Monitor and the Applicants will review all Proofs of Claim received on or before the applicable Bar Date. Following such review, the Monitor will, in consultation with the Applicants, accept, revise and/or disallow, in whole or in part, the Classification, Nature and/or amount of each Claim for voting and distribution

purposes. The Monitor will notify each Claimant who has delivered a Proof of Claim by the applicable Bar Date, as to whether such Claim as set out therein has been accepted, revised or disallowed, in whole or in part, by sending a Notice of Acceptance, Revision or Disallowance (which shall include reasons for any revision or disallowance of a Claim).

39. Any Claimant who wishes to dispute a Notice of Acceptance, Revision or Disallowance must send written notice to the Monitor by completing a Notice of Dispute of Revision or Disallowance by no later than 5:00 p.m. (Eastern Prevailing Time) on the date that is fourteen (14) Calendar Days after the date the Monitor sends the Notice of Acceptance, Revision or Disallowance to the applicable Claimant. Any Claimant that receives a Notice of Acceptance, Revision or Disallowance and does not file a Notice of Dispute of Revision or Disallowance with the Monitor by no later than fourteen (14) Calendar Days shall be deemed to have accepted the Classification, Nature and amount of the Claim as set out in the Notice of Acceptance, Revision or Disallowance for voting and distribution purposes.

40. Pursuant to the proposed Claims Procedure Order, the Monitor and the Applicants will review all Notices of Dispute of Revision or Disallowance. In the event that the Monitor, in consultation with the Applicants, is unable to resolve a dispute regarding any Disputed Claim against the Applicants (or either of them) with a Claimant within a period or in a manner satisfactory to the Monitor, the Monitor shall so notify the Applicants and the Claimant. Thereafter, the Monitor shall, in consultation with the Applicants, refer the Disputed Claim to:

(a) a Claims Officer (as defined below) in accordance with the Claims Procedure Order;

(b) the Court; or

(c) such alternative dispute resolution forum as may be ordered by the Court or agreed to by the Monitor, the Applicants and the applicable Claimant.

Motions for Claims Officer

41. The proposed Claims Procedure Order authorizes the Monitor or the Applicants to bring a motion at any time to seek an Order of the Court appointing one or more Claims Officers in respect of any and all Disputed Claims (each, a "**Claims Officer**").

42. The determination to appoint a Claims Officer to adjudicate any Disputed Claims will be made by the Monitor, in consultation with the Applicants. Any Claims Officer appointed pursuant to the Claims Procedure Order will be empowered to determine the process in which evidence may be brought before him or her as well as any other procedural matters which may arise in respect of the determination of any Disputed Claim referred to such Claims Officer. The fees and disbursements of any Claims Officer appointed in accordance with the proposed Claims Procedure Order will be paid by the Applicants.

OTHER GROUNDS:

43. The provisions of the CCAA and the inherent and equitable jurisdiction of this Court;

44. Rules 1.04, 1.05, 2.03, 3.02, 16, 37 and 39 of the Ontario *Rules of Civil Procedure*, R.R.O 1990, Reg. 194, as amended and sections 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended; and

45. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this motion:

(a) the Fifth Sudman Affidavit, and the exhibits attached thereto;

(b) the Fourth Report and the appendices thereto, to be filed; and

(c) such further and other evidence as counsel may advise and this Court may permit.

May 28, 2026

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,* AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

NOTICE OF MOTION
(Returnable June 1, 2026)

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TAB 2

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Applicants

AFFIDAVIT OF IGAL SUDMAN
(Sworn May 28, 2026)

TABLE OF CONTENTS

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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Applicants

AFFIDAVIT OF IGAL SUDMAN
(Sworn May 28, 2026)

I, Igal Sudman, of the City of Pickering, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am the Co-Founder and Chief Executive Officer of Ayurcann Holdings Corp. ("**Ayurcann Parent**"), which wholly-owns Ayurcann Inc. ("**Ayurcann**" and together with Ayurcann Parent, the "**Applicants**" or the "**Company**"). Since the Company's formation in 2018, I have been actively involved in managing the Applicants' business operations and overseeing the Company's strategic direction and growth. As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and believe them to be true.

2. I swear this affidavit in support of a motion by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and the proceedings related thereto, the "**CCAA Proceedings**") for:

(a) a Third Amended and Restated Initial Order (the "**Third ARIO**"), among other things:

(i) effective upon the DIP Assignment Closing Time (as defined below):

(A) approving Ayurcann's ability to borrow under an amended and restated debtor-in-possession credit facility (the "**Amended and Restated DIP Facility**") to finance the Company's critically required working capital requirements and other general corporate purposes, post-filing and professional expenses, and costs;

(B) replacing Auxly Cannabis Group Inc. ("**Auxly**"), in its capacity as the Original DIP Lender (as defined below), with Emblem Cannabis Corporation ("**Emblem**" and in such capacity, the "**Replacement DIP Lender**"); and

(C) increasing the DIP Lender's Charge (as defined below) up to a maximum amount of $3,000,000, plus accrued and unpaid interest, fees and expenses; and

(ii) extending the Stay Period (as defined below) to and including August 31, 2026 (the "**Stay Extension**"); and

(b) an order (the "**Claims Procedure Order**"), among other things;

(i) establishing a procedure for the identification and quantification of certain claims against the Applicants (the "**Claims Process**"); and

(ii) authorizing, directing and empowering the Applicants and the Monitor (as defined below) to take such actions as are contemplated by the Claims Procedure Order.

3. This affidavit should be read in conjunction with my affidavits sworn in these CCAA proceedings on January 29, 2026 (the "**First Sudman Affidavit**"), February 3, 2026 (the "**Second**

Sudman Affidavit"), February 8, 2026 (the "**Third Sudman Affidavit**") and April 21, 2026 (the "**Fourth Sudman Affidavit**" and collectively, the "**Sudman Affidavits**") in support of the Applicants' application for the Initial Order dated January 30, 2026 (the "**Initial Order**") and their motions for the Amended and Restated Initial Order dated February 9, 2026 (the "**ARIO**"), the Second Amended and Restated Initial Order dated February 13, 2026 (the "**Second ARIO**") and the Approval and Reverse Vesting Order (as defined below) dated April 28, 2026, respectively.

4. All capitalized terms not otherwise defined herein have the meaning ascribed to them in the Sudman Affidavits, as applicable. Copies of the First Sudman Affidavit, the Second Sudman Affidavit, the Third Sudman Affidavit and the Fourth Sudman Affidavit (each without exhibits) are attached hereto as **Exhibit "A"** – **Exhibit "D"**, respectively.

5. Nothing in this affidavit is intended to waive any privilege of any kind including, without limitation, any privilege attaching to any communications between any of the Applicants and their legal counsel, other professional advisors or otherwise. All references to currency in this affidavit are in Canadian dollars.

I. INTRODUCTION AND BACKGROUND[1]

A. Background to the CCAA Proceedings

6. Through its operating subsidiary (Ayurcann), the Company is a licenced cannabis producer and manufacturer which specializes in the formulation, packaging, distribution, and product development of high-quality cannabis products in the Canadian recreational market. Ayurcann

[1] The facts underlying the Applicants' financial circumstances and need for CCAA protection are set out in the First Sudman Affidavit and are not repeated exhaustively herein.

Parent is a reporting issuer in the provinces of Ontario, British Columbia and Alberta with its shares listed on the Canadian Securities Exchange and Frankfurt Stock Exchange.

7. The Company develops its own cannabis brands with a strong focus on high-growth processed and derivative products such as vapes, pre-rolls and extracts, and operates from a leased, licenced cannabis facility in Pickering, Ontario.

8. On January 30, 2026, the Applicants sought and obtained creditor protection under the CCAA pursuant to the Initial Order, which, among other things:

(a) appointed Alvarez & Marsal Canada Inc. as the monitor of the Applicants (in such capacity, the "**Monitor**");

(b) granted a stay of proceedings (the "**Stay of Proceedings**") in favour of the Applicants and the Non-Applicant Stay Parties until and including February 9, 2026 (the "**Stay Period**"); and

(c) granted the Administration Charge and the Directors' Charge.

9. On February 9, 2026, the Applicants were granted the ARIO, which, among other things: (i) extended the Stay Period until and including February 27, 2026; and (ii) preserved the *status quo* of Ayurcann's regulatory licences.

10. To advance their restructuring objectives and begin canvassing the market for one or more prospective purchasers of the Applicants' business and/or assets, the Applicants sought and obtained the following relief on February 13, 2026:

(a) the Sale Process Approval Order, which, among other things:

(i) approved a sale process (the "**Sale Process**") for the Applicants' business, in which the Stalking Horse Purchase Agreement between the Applicants and Auxly acted as the Stalking Horse Bid, and authorized the Applicants and the Monitor to implement the Sale Process pursuant to its terms; and

(ii) approved a break fee and certain expense reimbursements in favour of Auxly and granted the related Bid Protections Charge; and

(b) the Second ARIO, which, among other things:

(i) approved Ayurcann's ability to borrow up to a principal amount of $2,000,000 (the "**DIP Facility Limit**") under a debtor-in-possession credit facility (the "**DIP Facility**" and the agreement related thereto, as amended from time to time, the "**DIP Agreement**") to finance the Company's critically required working capital requirements and other general corporate purposes, post-filing and professional expenses, and costs;

(ii) granted a related priority charge in favour of Auxly (in such capacity, the "**Original DIP Lender**" and the related charge, the "**DIP Lender's Charge**") up to a maximum amount of $2,000,000, plus accrued and unpaid interest, fees and expenses, with the priority set out in the Second ARIO (i.e., ranking subordinate to the Administration Charge but in priority to all other encumbrances); and

(iii) extended the Stay of Proceedings to and until April 30, 2026.

11. Most recently, on April 28, 2026, the Applicants obtained an order (the "**Approval and Reverse Vesting Order**"), which, among other things:

(a) approved the agreement of purchase and sale between the Applicants and Emblem (in such capacity, the "**Purchaser**") dated March 31, 2026 (as amended, the "**Purchase Agreement**"), *nunc pro tunc*, with such minor amendments as the Applicants and the Purchaser may deem necessary, with the consent of the Monitor;

(b) authorized the Applicants and the Monitor to take such steps and actions necessary to complete the transactions contemplated in the Purchase Agreement (the "**Emblem Transaction**");

(c) approved, as the Back-Up Bid (as defined in the Sale Process), the Stalking Horse Purchase Agreement;

(d) approved the addition of Ayurcann Holding Corp. ("**Residual Co.**") as an Applicant in the CCAA Proceedings and vested all Excluded Assets, Excluded Contracts, and Excluded Liabilities into Residual Co., each in accordance with the closing sequence set out in the Approval and Reverse Vesting Order;

(e) approved the vesting of the Purchased Shares (as defined in the Purchase Agreement) in the Purchaser and confirmed that Ayurcann retains the Retained Assets and the Retained Contracts, each in accordance with the closing sequence set out in the Approval and Reverse Vesting Order, free and clear from any Encumbrances;

(f) granted certain releases in favour of certain Released Parties; and

(g) authorized and empowered the Monitor, upon delivery of the Monitor's Certificate, to exercise expanded powers in respect of Residual Co., including managing its property, operations and affairs, and provided certain protections to the Monitor in connection therewith.

12. Copies of the Approval and Reverse Vesting Order and the accompanying endorsement of the Honourable Justice Kimmel dated April 28, 2026 are attached hereto as **Exhibit "E"** and **Exhibit "F"**, respectively.

B. Update Since the Last Hearing

13. As discussed above, on April 28, 2026, the Applicants obtained the Approval and Reverse Vesting Order, which, among other things, approved the Purchase Agreement and the Emblem Transaction.

14. Since obtaining the Approval and Reverse Vesting Order, the Applicants and the Purchaser, with the assistance of the Monitor, have been diligently working to finalize all outstanding closing deliverables. For example, new employment agreements were delivered to all retained employees on May 25, 2026, and the form of all, or substantially all, of the closing documents have been settled. As of the date of this affidavit, the only material closing condition outstanding is for Health Canada to complete its change of control compliance assessment (the "**Health Canada Assessment**"), as required under the *Cannabis Act* (Canada) and its Regulations. It is a closing condition under the Purchase Agreement that the proposed Emblem Transaction passes the Health Canada Assessment.

15. The Applicants continue to engage with Health Canada in an effort to expedite completion of the Health Canada Assessment, including by responding to all information requests received to date. Representatives of Health Canada have advised that the Health Canada Assessment is progressing in accordance with established approval timelines, and while the assessment has not been completed as of the date of this affidavit, the Applicants remain optimistic that its completion will be confirmed within weeks or sooner.

16. The outside date of the Emblem Transaction was originally May 15, 2026 (as extended from time to time, the "**Outside Date**"), being the same date as the maturity date under the existing DIP Facility (as extended from time to time, the "**Maturity Date**"). Due to the aforementioned delays, the Applicants, the Purchaser and the Original DIP Lender (as applicable) agreed to extend the Outside Date to May 29, 2026 and the Maturity Date to May 31, 2026.

17. Copies of the First Amendment to the Agreement of Purchase and Sale dated May 15, 2026 and the First Amending Agreement to the DIP Agreement dated May 14, 2026 are attached hereto as **Exhibit "G"** and **Exhibit "H"**, respectively (collectively, the "**Amending Agreements**").

18. These extension dates were intentionally selected as the Applicants were not forecasted to have sufficient availability under the existing DIP Facility to satisfy certain expenses and liabilities due on June 1, 2026, including Ayurcann's monthly excise tax obligations. Upon closing of the Emblem Transaction, it was anticipated that such obligations would become the responsibility of the Purchaser and be paid in the ordinary course outside of these CCAA Proceedings. However, because the Emblem Transaction has not yet closed, the Applicants will remain responsible for these upcoming payments.

19. As such, the Applicants now seek the approval of the Amended and Restated DIP Facility, on an urgent basis, in order to provide the liquidity necessary for the Applicants to satisfy their post-filing obligations. As reflected in the Revised Cash Flow Forecast (as defined below), the Applicants are not forecasted to have sufficient liquidity to repay the DIP Facility by the extended Maturity Date of May 31, 2026, while also funding their post-filing obligations as they become due. Accordingly, absent additional financing, the Applicants are expected to experience critical liquidity shortfalls in the immediate term. The Amended and Restated DIP Facility, if approved, will provide the Applicants with sufficient liquidity to repay the DIP Facility and fund their ordinary course obligations until Closing.

20. Notably, the possibility of needing additional funding due to regulatory delays was explicitly contemplated under Section 7.8 of the Purchase Agreement, which states that if closing cannot occur by the Outside Date because regulatory consents and approvals have not been obtained, the Purchaser and the Applicants will negotiate, in good faith, appropriate funding requirements necessary to maintain ordinary-course operations. Further, since Emblem will be acting as both Replacement DIP Lender and Purchaser, its interests will be aligned with completing the Emblem Transaction as efficiently and cost-effectively as possible, which will benefit the Applicants and their stakeholders.

21. The Applicants understand from the Original DIP Lender that it has agreed to further extend the Maturity Date to June 5, 2026, to allow for this motion to proceed.

22. The Applicants and the Purchaser have also agreed to further amend the Purchase Agreement, with the consent of the Monitor, to, among other things: (i) further extend the Outside Date to June 30, 2026; and (ii) allow Emblem to credit bid any indebtedness owing under the

Amended and Restated DIP Facility at Closing (as defined in the Purchase Agreement) (the "**Second Purchase Agreement Amendment**"). In accordance with Section 7.8 of the Purchase Agreement and the Second Purchase Agreement Amendment, the purchase price shall be adjusted upwards, dollar-for-dollar, to the extent of any additional interim funding requirements in excess of the original DIP Facility Limit (the "**Purchase Price Mechanics**"). The Purchase Price Mechanics ensure that the funds available for distribution to the Applicants' creditors remain the same as under the original Purchase Agreement, while ensuring the Amended and Restated DIP Facility is fully satisfied at Closing through the credit bid.

23. The Purchase Price Mechanics ensure that no creditor will be prejudiced by the Amended and Restated DIP Facility or the increase to the funding availability contemplated therein.

24. The Applicants are not seeking approval of the Second Purchase Agreement Amendment or the Purchase Price Mechanics as part of this motion, as these changes were contemplated in the terms of the Purchase Agreement. The Applicants do not believe the amendments constitute a material change to the Emblem Transaction or one that will adversely impact the Applicants' stakeholders. Rather, it updates the payment mechanics to accommodate the financing proposed under the Amended and Restated DIP Facility.

25. A copy of the proposed form of Second Purchase Agreement Amendment is attached hereto as **Exhibit "I"**.

26. Finally, pursuant to the terms of the Sale Process and the Approval and Reverse Vesting Order, the Back-Up Bid became non-binding on May 15, 2026. As such, the only remaining binding transaction available in the circumstances is the Emblem Transaction.

II. THIRD ARIO

A. Amended and Restated DIP Facility

27. The Original DIP Lender and the Replacement DIP Lender are finalizing the terms of an assignment of debt and security agreement (the "**DIP Assignment**"), pursuant to which, the Original DIP Lender has agreed to assign, and the Replacement DIP Lender has agreed to assume, the indebtedness and security under the DIP Facility (the "**DIP Indebtedness**"). As consideration for the DIP Assignment, the Replacement DIP Lender will pay an amount equal to the DIP Indebtedness to the Original DIP Lender (the time of such payment being, the "**DIP Assignment Closing Time**").

28. Under section 27 of the DIP Agreement, the Original DIP Lender is permitted to assign all, or a portion, of its rights and obligations under the DIP Facility to any other entity with the consent of the Monitor. The Applicants understand that the Monitor has consented to the DIP Assignment.

29. Ayurcann, as borrower, Ayurcann Parent, as guarantor, and the Replacement DIP Lender, have agreed to the terms of an amended and restated DIP Agreement (the "**Replacement DIP Agreement**"), which will be signed in escrow in advance of the upcoming motion.

30. Other than the increase of the maximum principal facility limit of $2,000,000 to $3,000,000, the terms of the Amended and Restated DIP Facility are materially identical to the existing DIP Facility (subject to certain clean up changes). A copy of the proposed form of the Replacement DIP Agreement is attached hereto as **Exhibit "J"**, and a redline between the proposed form of the Replacement DIP Agreement and the DIP Agreement is attached hereto as **Exhibit "K"**.

31. As reflected in the Revised Cash Flow Forecast, the Applicants will require the Amended and Restated DIP Facility to satisfy working capital needs and maintain ordinary course operations, including their monthly excise tax payments due on June 1, 2026. The Amended and Restated DIP Facility is only intended to act as a temporary solution to ensure the Applicants have sufficient liquidity to satisfy their ordinary course obligations until the Health Canada Assessment is complete. Once the Emblem Transaction closes, the Amended and Restated DIP Facility will be fully satisfied pursuant to the Purchase Price Mechanics.

32. Advances made under the Amended and Restated DIP Facility will continue to be secured by the DIP Lender's Charge (now in favour of the Replacement DIP Lender, should the requested relief be granted), which ranks subordinate to the Administration Charge but in priority to all other encumbrances.

33. The Monitor has been consulted throughout the negotiations relating to the Amended and Restated DIP Facility and has advised that it supports the Amended and Restated DIP Facility, and considers it appropriate in the circumstances. The Applicants have also been advised by the Original DIP Lender and the Replacement DIP Lender that they support the proposed relief.

B. Stay Extension

34. The Stay Period is set to expire on June 30, 2026. Pursuant to the proposed Third ARIO, the Applicants are seeking to extend the Stay Period until and including August 31, 2026.

35. It is both necessary and in the best interests of the Applicants and their stakeholders that the Stay Period be extended. The additional breathing room provided by the Stay Extension will enable the Applicants to repay the existing DIP Facility, close the Emblem Transaction, assist the

Monitor with the administration of the Claims Process (as discussed below), and begin preparations for the winddown of Residual Co.'s estate. The Applicants intend to return to the Court before the expiry of the proposed Stay Extension to seek approval of certain distribution mechanics and other ancillary relief necessary to bring the CCAA Proceedings to an end. Although the Stay Period currently expires at month-end, seeking approval at this attendance will avoid the need for a subsequent attendance later in the month to address the necessary extension.

36. The Applicants have acted in good faith and with due diligence throughout these CCAA Proceedings. In particular, since the granting of the Approval and Reverse Vesting Order, the Applicants have:

(a) continued to liaise with the Monitor, Emblem, the Original DIP Lender, and various stakeholders, while continuing to operate the Applicants' business in these CCAA Proceedings;

(b) negotiated the terms of the Amended and Restated DIP Facility and the Amending Agreements;

(c) worked with the Monitor and the Purchaser to advance several closing workstreams to facilitate the orderly and timely closing of the Emblem Transaction, including coordinating the delivery of the retained employees' offers of employment, drafting closing documents and responding to various information requests from Health Canada as part of the Health Canada Assessment;

(d) engaged in ongoing coordination meetings with the Purchaser and its counsel, which were aimed at ensuring an orderly and efficient transition of the business;

(e) with the assistance of the Monitor, prepared weekly reporting to the Original DIP Lender pursuant to the terms of the DIP Agreement and prepared the Revised Cash Flow Forecast;

(f) prepared, in consultation with the Monitor, the Claims Process; and

(g) prepared the within motion materials.

37. The Applicants, with the assistance of the Monitor, have prepared a revised cash flow forecast to determine their funding requirements during the proposed Stay Extension (the "**Revised Cash Flow Forecast**"). I understand that a copy of the Revised Cash Flow Forecast will be attached to the Fourth Report of the Monitor, to be filed, and will demonstrate that if the Amended and Restated DIP Facility is approved, the Applicants are forecasted to have sufficient liquidity to fund their obligations and the costs of these CCAA Proceedings through the end of the proposed Stay Extension.

38. I understand that the Monitor supports the proposed Stay Extension, and that the Monitor does not believe that any stakeholder will be materially prejudiced by the granting of the extension of the Stay Period.

III. CLAIMS PROCEDURE ORDER[2]

39. It is expected that the Emblem Transaction will generate sufficient net sale proceeds to facilitate distributions to unsecured creditors. As such, the Applicants are seeking approval of the Claims Process to identify and quantify the universe of Claims that exist against the Applicants.

[2] All capitalized terms not otherwise defined in this section have the meanings ascribed to them in the proposed Claims Procedure Order.

40. The Claims Process will be conducted by the Monitor, in consultation with the Applicants, in accordance with the terms of the proposed Claims Procedure Order.

41. The Claims Process is intended to provide a comprehensive, fair, flexible and efficient means of identifying and quantifying Claims against the Applicants. Once the universe of Claims has been identified through the Claims Process, the Applicants intend to return to Court to seek relief to make a distribution to creditors.

42. The salient terms of the Claims Process are described below.

A. Notice to Claimants

43. The proposed Claims Procedure Order requires the Monitor to provide a copy of the Claims Package no later than five (5) Business Days following the granting of the Claims Procedure Order or as soon as practicable thereafter to all Known Claimants.

44. Under the Claims Procedure Order, "Known Claimants" include: (i) any Person listed in the Applicants' books and records as being owed money by the Applicants as of the Filing Date; (ii) any person who commenced a legal proceeding in respect of a Claim against the Applicants prior to the Filing Date; and (iii) any other person known by the Applicants to be owed money as of the date of the proposed Claims Procedure Order (which will include any terminated employees). The Known Claimants comprise a limited group that is well known to the Applicants, and whose claims are well documented and readily ascertainable. Accordingly, the Applicants anticipate that the Claims Process can be administered in an efficient manner.

45. The proposed Claims Procedure Order requires the Monitor to:

(a) post a copy of the Claims Procedure Order, the Applicants' Motion Record in respect of the Claims Procedure Order, the Claims Package, and any other materials filed with the Court pertaining to the Claims Procedure Order, on the Monitor's Website as soon as practicable following the granting of the Claims Procedure Order, and to cause it to remain posted thereon at least until its discharge as Monitor of the Applicants;

(b) cause a notice of the granting of this Claims Procedure Order and the Claims Process to be published by the Monitor, for at least one (1) Business Day, in *The Globe and Mail (National Edition)*;

(c) deliver a copy of the Claims Package to any Person claiming to be a Claimant and requesting such material in writing, as soon as reasonably practicable following receipt of a request therefor; and

(d) upon becoming aware of any circumstance giving rise to a Restructuring Period Claim, send a Claims Package to the applicable potential Claimant or direct such potential Claimant to the documents posted on the Monitor's Website in respect of such Restructuring Period Claim.[3]

46. Pursuant to the proposed Claims Procedure Order, the Claims Packages will contain copies of the following materials:

(a) an Instruction Letter in substantially the form attached as Schedule "A" to the Claims Procedure Order;

[3] Each notice of disclaimer or resiliation delivered after the date of the Claims Procedure Order will be accompanied with a Claims Package.

(b) a Notice Letter in substantially the form attached as Schedule "B" to the Claims Procedure Order;

(c) a Proof of Claim form in substantially the form attached as Schedule "C" to the Claims Procedure Order; and

(d) such other materials as the Monitor and the Applicants may consider appropriate or desirable.

47. The Claims Packages are intended to provide Known Claimants and potential Claimants with notice of the Claims Process, the applicable Bar Dates, and information with respect to the submission of a Proof of Claim and a Notice of Dispute of Revision or Disallowance.

B. Filing of a Proof of Claim

48. Pursuant to the proposed Claims Procedure Order, any Claimant that wishes to assert a Pre-Filing Claim or a Restructuring Period Claim must do so by delivering a Proof of Claim, including all relevant supporting documentation, to the Monitor by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable. Residual Co. has also been included as an Applicant under the Proof of Claim form to capture any Restructuring Period Claims that may arise following the Closing Date.

49. The Claims Bar Date is 5:00 p.m. (Eastern Prevailing Time) on July 16, 2026, or such later date as may be ordered by the Court. The Restructuring Period Claims Bar Date is the later of (i) the Claims Bar Date, and (ii) 5:00 p.m. (Eastern Prevailing Time) on the date that is twenty (20) Business Days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim to a Claimant.

50. The applicable Bar Dates were determined by the Applicants, with the assistance of the Monitor. If the Claims Procedure Order is granted on June 1, 2026, Known Claimants and potential Claimants will have forty-five (45) calendar days to complete and deliver a Proof of Claim prior to the Claims Bar Date. I am advised by the Monitor, and believe that, it is supportive of the Claims Bar Date and the other timelines contemplated under the proposed Claims Procedure Order and believes such timelines are appropriate in the circumstances.

51. Any Person that does not deliver a Proof of Claim so that it is actually received by the Monitor on or before the applicable Bar Date shall:

(a) not be entitled to attend or vote at a Meeting in respect of such Claim;

(b) not be entitled to receive any distribution in respect of such Claim pursuant to a Plan or otherwise;

(c) not be entitled to any further notice in the CCAA Proceedings (unless it has otherwise sought to be included on the Service List) with respect to, and not be entitled to participate as a Claimant or creditor in, the Claims Process or the CCAA Proceedings in respect of such Claim; and

(d) be forever barred, estopped and enjoined from making or enforcing such Claim, and the Applicants shall not have any liability whatsoever in respect of such Claim, and such Claim shall be extinguished without any further act or notification.

52. The proposed Claims Procedure Order does not affect Excluded Claims. Accordingly, any Person holding an Excluded Claim is not required to file a Proof of Claim in respect of such

Excluded Claim. Pursuant to the proposed Claims Procedure Order, the following are Excluded Claims:

(a) any Claim secured by any of the CCAA Charges, including any Claim of the Original DIP Lender with respect to any advances made under the DIP Agreement;

(b) any intercompany claims solely as between the Applicants;

(c) any claim enumerated in subsection 5.1(2) and 19(2) of the CCAA; and

(d) any Excluded Claim arising through subrogation.

C. Assessment and Determination of Claims Against the Applicants

53. Pursuant to the proposed Claims Procedure Order, the Monitor and the Applicants will review all Proofs of Claim received on or before the applicable Bar Dates. Following such review, the Monitor will, in consultation with the Applicants, accept, revise and/or disallow, in whole or in part, the Classification, Nature and/or amount of each Claim for voting and distribution purposes. The Monitor will notify each Claimant who has delivered a Proof of Claim by the applicable Bar Date as to whether such Claim as set out therein has been accepted, revised or disallowed, in whole or in part, by sending a Notice of Acceptance, Revision or Disallowance. The reasons for any revision or disallowance of a Claim, whether in whole or in part, shall be included in such Notice of Acceptance, Revision or Disallowance.

54. Any Claimant who wishes to dispute a Notice of Acceptance, Revision or Disallowance must send written notice to the Monitor by completing a Notice of Dispute of Revision or Disallowance by no later than 5:00 p.m. (Eastern Prevailing Time) on the date that is fourteen (14)

Calendar Days after the date the Monitor sends the Notice of Acceptance, Revision or Disallowance to the applicable Claimant.

55. Any Claimant that receives a Notice of Acceptance, Revision or Disallowance and does not file a Notice of Dispute of Revision or Disallowance with the Monitor within fourteen (14) Calendar Days shall be deemed to have accepted the Classification, Nature and amount of the Claim as set out in the Notice of Acceptance, Revision or Disallowance for voting and distribution purposes.

56. Pursuant to the proposed Claims Procedure Order, the Monitor and the Applicants will review all Notices of Dispute of Revision or Disallowance. In the event that the Monitor, in consultation with the Applicants, is unable to resolve a dispute regarding any Disputed Claim against the Applicants (or either of them) with a Claimant within a period or in a manner satisfactory to the Monitor, the Monitor shall so notify the Applicants and the Claimant. Thereafter, the Monitor shall, in consultation with the Applicants, refer the Disputed Claim to:

(a) a Claims Officer (as defined below) in accordance with the Claims Procedure Order;

(b) the Court; or

(c) such alternative dispute resolution forum as may be ordered by the Court or agreed to by the Monitor, the Applicants and the applicable Claimant.

D. Motions for Claims Officer

57. The proposed Claims Procedure Order authorizes the Monitor or the Applicants to bring a motion at any time to seek an Order of the Court appointing one or more Claims Officers in respect of any and all Disputed Claims (each, a "**Claims Officer**").

58. The determination to appoint a Claims Officer to adjudicate any Disputed Claims will be made by the Monitor, in consultation with the Applicants. Any Claims Officer appointed pursuant to the Claims Procedure Order will be empowered to determine the process in which evidence may be brought before him or her as well as any other procedural matters which may arise in respect of the determination of any Disputed Claim referred to such Claims Officer. The fees and disbursements of any Claims Officer appointed in accordance with the proposed Claims Procedure Order will be paid by the Applicants.

IV. CONCLUSION

59. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize their business, apprise their stakeholders of the CCAA Proceedings, administer the Sale Process, finalize the Purchase Agreement and take steps to advance the closing of the Emblem Transaction, all with the assistance and oversight of the Monitor.

60. I understand that the Monitor is supportive of the relief described herein and the Monitor does not believe that any stakeholder will be materially prejudiced by the granting of the Third ARIO and the Claims Procedure Order.

61. I swear this affidavit in support of the Applicants' motion for the Third ARIO and the Claims Procedure Order, and for no other or improper purpose.

SWORN REMOTELY by Igal Sudman stated as being located in the City of Vaughan, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on May 28, 2026, remotely via videoconference in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

SHAWN KIRKMAN
A Commissioner for Taking Affidavits in and for the Province of Ontario

Signed by:
Igal Sudman
26ACA44216F7480...

IGAL SUDMAN

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT
OF IGAL SUDMAN, SWORN BEFORE ME
THIS 28TH DAY OF MAY, 2026.

SHAWN KIRKMAN
A Commissioner for taking Affidavits
(or as may be)

Court File No.:_____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Applicants

AFFIDAVIT OF IGAL SUDMAN
(Sworn January 29, 2026)

TABLE OF CONTENTS

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Applicants

AFFIDAVIT OF IGAL SUDMAN
(Sworn January 29, 2026)

I, Igal Sudman, of the City of Pickering, in the Province of Ontario, **MAKE OATH AND SAY**:

1. This affidavit is made in support of an Application by Ayurcann Holdings Corp. ("**Ayurcann Parent**") and Ayurcann Inc. ("**Ayurcann**") (each individually, an "**Applicant**" and collectively, the "**Applicants**" or the "**Company**") for an initial order (the "**Initial Order**") and related relief pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and the proceedings related thereto, the "**CCAA Proceedings**").

2. I am the Co-Founder and Chief Executive Officer of Ayurcann Parent, which wholly-owns Ayurcann. Since the Company's formation in 2018, I have been actively involved in managing the Applicants' business operations and overseeing the Company's strategic direction and growth. As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and believe them to be true.

3. In preparing this affidavit, I have also relied upon the books and records of the Applicants and consulted with other members of the senior management team. The Applicants do not waive or intend to waive any applicable privilege by any statement herein. All references to currency in this affidavit are in Canadian dollars unless noted otherwise.

I. RELIEF REQUESTED

4. I swear this affidavit in support of an urgent Application brought by the Applicants seeking the following relief, among others, as part of the proposed Initial Order:

(a) declaring that the Applicants are parties to which the CCAA applies;

(b) appointing Alvarez & Marsal Canada Inc. ("**A&M**" or the "**Proposed Monitor**") as an officer of the Court to monitor the assets, business, and affairs of the Applicants (once appointed in such capacity, the "**Monitor**");

(c) staying, for an initial period of ten days (the "**Stay Period**"), all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the Applicants' former, current or future directors and officers, or affecting the Applicants' business or the Property (as defined below), except with the written consent of the Applicants and the Monitor or with leave of the Court (the "**Stay of Proceedings**");

(d) extending the benefit of the Stay of Proceedings and other aspects of the Initial Order to Ayurcann Holding Corp. ("**Ayurcann Holding**") and Can Ayurcann Merger Sub Inc. ("**MergerCo**" and together with Ayurcann Holding, the "**Non-Applicant Stay Parties**") and their respective directors and officers;

(e) granting relief from certain securities reporting obligations under federal, provincial or other laws until further Order of this Court;

(f) approving the continued use of the Cash Management System (as defined below); and

(g) granting the Administration Charge and the Directors' Charge (each as defined below) with respect to the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**") in the following priorities:

(i) First – the Administration Charge up to a maximum amount of $250,000; and

(ii) Second – the Directors' Charge up to a maximum amount of $625,000.

5. If the proposed Initial Order is granted, the Applicants intend to return before the Court on February 9, 2026 (such hearing, the "**Comeback Hearing**"), to seek approval of an Amended and Restated Initial Order (the "**ARIO**"), which, among other things, would:

(a) extend the Stay of Proceedings, including in favour of the Non-Applicant Stay Parties;

(b) if debtor-in-possession ("**DIP**") financing is required and secured prior to the Comeback Hearing, (A) approve the Applicants' ability to borrow under a DIP credit facility (the "**DIP Facility**") to finance the Company's critically required working capital requirements and other general corporate purposes, post-filing and

professional expenses and other costs, and (B) grant a corresponding charge on the Property in favour of the Proposed DIP Lender (as defined below) (the "**DIP Lender's Charge**" and collectively with the Administration Charge and the Directors' Charge, the "**Charges**");

(c) increase the quantum of each of the Administration Charge (to a maximum amount of $800,000) and the Directors' Charge (to a maximum amount of $3,020,000);

(d) authorize, but not obligate, the Applicants to pay, with the consent of the Monitor, amounts owing for goods and services supplied to the Applicants prior to the CCAA Proceedings, up to a cap to be proposed by the Applicants with the consent of the Monitor;

(e) approve the KERP (as defined below) and grant the related super-priority KERP Charge (as defined below), ranking subordinate to the Charges but in priority to all other encumbrances;

(f) seal the KERP Summary (as defined below), to be delivered prior to the Comeback Hearing; and

(g) approve such other customary relief as may be required to advance the Applicants' restructuring.

6. The Applicants are in the process of negotiating an agreement of purchase and sale (the "**Stalking Horse Purchase Agreement**"), with the intention that such Stalking Horse Purchase Agreement will serve as the "**Stalking Horse Bid**" in a Court-approved sale process (the "**Sale Process**") for the sale of all, or part of, the Applicants' assets and business. If the Stalking Horse

Purchase Agreement is finalized prior to the Comeback Hearing, the Applicants may also seek an Order (the "**Sale Process Approval Order**"), which, among other things, would:

(a) authorize and approve the Applicants' execution of the Stalking Horse Purchase Agreement, including certain bid protections described therein (the "**Bid Protections**");

(b) grant a Court-ordered charge over the Property in favour of the stalking horse purchaser as security for payment of the Bid Protections, with the priority set out in the proposed ARIO (the "**Bid Protections Charge**");

(c) approve the Sale Process in respect of the Applicants in which the Stalking Horse Purchase Agreement will serve as the Stalking Horse Bid and authorize the Applicants and the Monitor to implement the Sale Process pursuant to its terms; and

(d) authorize and direct the Applicants and the Monitor to perform their respective obligations and do all things reasonably necessary to perform their obligations under the Sale Process.

II. OVERVIEW

7. Through its operating subsidiary (Ayurcann), the Company is a licenced cannabis producer and manufacturer serving recreational markets across Canada. The parent company, Ayurcann Parent, is a reporting issuer in the provinces of Ontario, British Columbia and Alberta with its shares listed on the Canadian Securities Exchange and Frankfurt Stock Exchange.

8. Since its formation in 2018, the Company has evolved from a business-to-business service provider to a vertically integrated enterprise with its own cannabis brands, manufacturing and processing operations, and distribution networks. With approximately 146 unique stock keeping units available for sale in approximately 2,598 stores across Canada, the Company continues to focus on the development and commercialization of its own cannabis products (including for its core proprietary brands, such as Fuego, Xplor, and Happy & Stoned).

9. As detailed below, each of the Applicants is based in Ontario and its operations are primarily carried out of a leased licenced cannabis facility in Pickering, Ontario. To assist with its day-to-day operations, the Company employs approximately 56 employees, has contractual arrangements with approximately 63 contractors,[1] and has distribution and/or supply arrangements within eight provinces and territories.

10. Until recently, the Company has generated strong revenues and stable cash flow, while managing its working capital position. Like many cannabis companies in Canada, the Company has accumulated material excise tax liabilities payable to the Canada Revenue Agency (the "**CRA**"), which were historically being re-paid in monthly "catch-up" installments via an informal payment plan that had been agreed to by representatives of the CRA. These monthly installments allowed the Company to incrementally reduce its excise tax balance, while still having sufficient cash-on-hand to satisfy its remaining obligations in the ordinary course.

11. Notwithstanding the Company's ongoing compliance with the informal payment plan, on December 5, 2025, the CRA unilaterally imposed a new payment plan onto the Company, requiring monthly excise "catch-up" payments in the amount of approximately $1.056 million

[1] Contractors are paid by their respective agencies (which invoice the Company directly) and do not form part of the Company's payroll. They support various business workstreams and provide services on a billable-hour basis.

(instead of approximately $165,000 under the informal payment plan), which were to be paid in addition to the Applicants' ongoing remittance obligations – totaling approximately $3 million in aggregate monthly excise tax expenses. The Applicants have insufficient liquidity to comply with the terms of this new CRA mandated payment plan and, as a result, can no longer meet their obligations as they become due.

12. Other than certain vehicle lessors and banking institutions which hold security interests against specific assets and/or the Company's bank account, as the case may be, the Applicants have no secured creditors.

13. Over the past few months, the Company has made several attempts to address its financial challenges by implementing, or attempting to implement, various cash conservation measures. For example, the Company reduced its use of subcontractors and external consultants, implemented stronger controls on material procurement, and reduced its investment in retail data and promotional selling. Collectively, these measures were implemented with a view to lowering operating costs, preserving working capital, and supporting the continuation of core operations while the Company evaluated longer-term solutions for its financial challenges.

14. The Company also attempted to improve its liquidity position through proposed business combinations and by seeking to raise debt capital. For example, in June 2024, the Company entered into a failed merger with Arogo Capital Acquisition Corp., which was expected to provide the Applicants with a cash injection of approximately US$19.6 million. The business combination was terminated in November 2024, leaving the Applicants with increased liquidity pressures and lower-than-expected capital to operate the business. More recently, the Company explored raising third-

party debt financing with various parties – however, such efforts have been largely unsuccessful due primarily to the Company's strained liquidity and financial position.

15. The Applicants are seeking protection under the CCAA to, among other things, obtain additional financing to support and continue normal course operations, continue to evaluate options for restructuring the business, and to implement a Court-supervised sale process that would see the Company restructured and/or all, or a portion of, the Applicants' business and assets sold through a value maximizing transaction for the benefit of their creditors. The CCAA filing and the proposed Sale Process are intended to benefit all of the Company's stakeholders, including the Company's many employees, customers, suppliers, creditors, and other contracting parties, by implementing a going-concern transaction that preserves the Applicants' business and its valuable stakeholder relationships.

16. As discussed above, the CRA's sudden imposition of an onerous mandatory payment plan has caused the Company to experience a liquidity shortfall such that it cannot satisfy its obligations as they become due. Accordingly, there is significant urgency to this CCAA application and the relief being sought pursuant to the Initial Order.

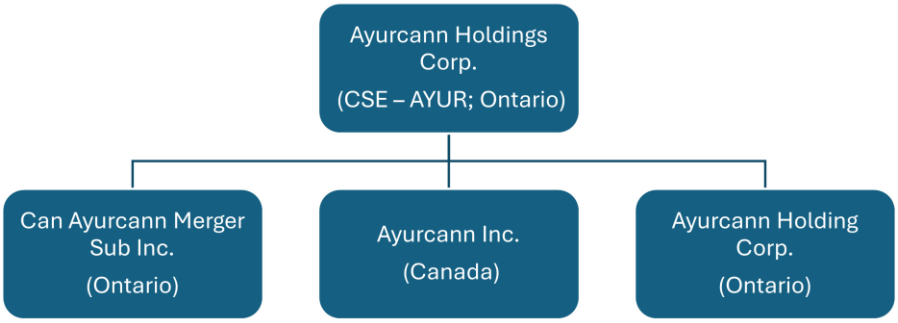
17. To the extent the cash flows filed by the Applicants in connection with the Comeback Hearing demonstrate that the Applicants require additional liquidity, the Applicants are in discussions with a possible DIP lender (in such capacity, the "**Proposed DIP Lender**"), which could potentially make a DIP facility available to the Applicants during the CCAA Proceedings.

18. If finalized, the DIP Facility is intended to, among other things, provide the Applicants with access to the funding required to maintain operations and preserve the value of the business while the Sale Process is conducted (if ultimately approved). I note the Applicants are not seeking

relief pursuant to the Initial Order in respect of the DIP Facility at this time. As reflected in the Applicants' cash flow forecast for the initial 10-day period ending February 9, 2026 (the "**Cash Flow Forecast**"), which I understand will be attached to the Pre-Filing Report of the Proposed Monitor (the "**Pre-Filing Report**"), the Applicants have sufficient liquidity to fund their operations until the Comeback Hearing. However, additional financing will likely be required during the pendency of the CCAA Proceedings.

III. CORPORATE STRUCTURE OF THE COMPANY

19. A copy of the Company's current corporate structure is reproduced below:



20. Each of the Applicants and the Non-Applicant Stay Parties is a Canadian entity and maintains its registered office at 1080 Brock Road, Pickering, Ontario L1W 3H3.

21. As illustrated above, each of Ayurcann and the Non-Applicant Stay Parties is directly and wholly owned by Ayurcann Parent. For the purpose of this affidavit and for greater certainty, all references to the Applicants include each of their predecessor entities (as applicable).

A. The Applicants

1. Ayurcann Parent

22. Ayurcann Parent acts as a holding company for its subsidiaries and otherwise has no material assets. Its primary functions are to provide business oversight, management support and strategic guidance to the Company, and to act as a reporting issuer for the Company's publicly traded shares.

23. Ayurcann Parent was incorporated on August 26, 2010, pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "**OBCA**"), under the name "Pacific Coal Corp." (and then subsequently changed its name to "Canada Coal Inc." on April 12, 2011). On March 26, 2021, Ayurcann Parent closed a three-cornered amalgamation with Ayurcann and a numbered company. Following the transaction, Ayurcann Parent delisted from the TSX Venture Exchange, listed on the Canadian Securities Exchange (the "**CSE**"), and changed its name to "Ayurcann Holdings Corp."

24. As discussed above, Ayurcann Parent is a reporting issuer in the provinces of Ontario, British Columbia and Alberta and is listed under the symbols "AYUR" on the CSE and "3ZQ0" on the Frankfurt Stock Exchange (the "**FSE**").[2] As of November 28, 2025, Ayurcann Parent had 194,703,863 Common Shares, 700,000 stock options, and no warrant or restricted share units outstanding.

25. A copy of Ayurcann Parent's corporate profile report is attached hereto as **Exhibit "A"**.

[2] Ayurcann Parent was delisted from the OTCQB effective October 30, 2025.

2. Ayurcann

26. Ayurcann is incorporated under the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended, pursuant to a Certificate of Amalgamation dated March 26, 2021.

27. Most of the Company's business operations are conducted through Ayurcann, including all cannabis extraction, manufacturing, processing, sales and other commercial and regulatory activities. Ayurcann is also the contracting party for the majority of the Company's operating and employment contracts.

28. As discussed in greater detail below, Ayurcann holds a standard processing licence with Health Canada and leases the Pickering Facility (as defined below), as tenant.

29. A copy of Ayurcann's corporate profile report is attached hereto as **Exhibit "B"**.

B. The Non-Applicant Stay Parties

30. MergerCo and Ayurcann Holding were incorporated under the OBCA on June 24, 2024 and June 25, 2024, respectively, to facilitate an unsuccessful business combination transaction (as discussed below). The Non-Applicant Stay Parties are shell companies with no known material assets, liabilities or active business operations.

IV. BUSINESS OF THE APPLICANTS

A. The Company's Business

31. The Company, through Ayurcann, is a licenced cannabis producer and extraction company that specializes in the formulation, packaging, distribution, and product development of high-quality cannabis products in the Canadian market. It focuses exclusively on the development and

commercialization of its own cannabis brands, with a strong emphasis on high-growth processed and derivative products such as vapes, pre-rolls and extracts.

32. The Company sells the majority of its cannabis products to consumers in the Canadian recreational adult-market and has approximately 37,315 product listings across Ontario, New Brunswick, Manitoba, Saskatchewan, Alberta, British Columbia, Newfoundland and Labrador, and Yukon. Its core proprietary brands include Fuego, Xplor, and Happy & Stoned.

33. Its business and administrative operations are conducted primarily out of the Company's leased cannabis facility located at 1080 Brock Road, Pickering, Ontario L1W 3H3 (the "**Pickering Facility**").

B. Leased Real Property

34. The Pickering Facility is a fully licenced 13,585 square foot extraction and manufacturing facility based in Pickering, Ontario.

35. The Company, through Ayurcann, leases the Pickering Facility pursuant to three lease agreements between Com '53 Ltd., as landlord, and Ayurcann, as tenant (the "**Facility Leases**"). Under the Facility Leases, the aggregate monthly rent is approximately $24,136.55 (inclusive of HST). None of the Facility Leases are expected to expire during the course of the CCAA Proceedings, with the earliest termination date being in August 2028. Ayurcann is current with its rent obligations under the Facility Leases.

36. The Pickering Facility serves as a manufacturing, processing and storage facility for the Company's cannabis extraction, formulation and manufacturing operations, as well as an office and workspace. The Company's cannabis operations at the Pickering Facility are conducted by

Ayurcann in accordance with its licences with Health Canada and the CRA (as discussed in greater detail below). As of the date hereof, the Pickering Facility is fully operational.

37. Ayurcann is current with its rent obligations under the Facility Leases.

38. The Company also stores certain inventory at a separate warehouse, as required by Cannabis Regulations (as defined below). The warehouse is not leased directly by the Company – rather, it is made available to the Company pursuant to a service agreement with Legacy Supply Chain Services Inc. (the "**Service Agreement**").[3]

C. Third Party Service Providers

39. The Company relies on various third-party suppliers and service providers for raw materials, data, utilities, and technology that are essential to its operations. Any interruption in services, whether due to an inability or refusal to continue providing services could impair the Company's ability to operate in the ordinary course and would materially impair the value of the Company's business. As discussed below, the Company is not current with respect to payments due for certain of these obligations.

D. Collaboration Agreement

40. On October 10, 2019, Ayurcann Parent entered into a collaboration agreement (as amended from time to time, the "**Collaboration Agreement**") with a third-party equipment operator and

[3] Pursuant to the Service Agreement, Ayurcann provides to Legacy Supply Chain Services Inc. a prescribed annual amount of dried flower and edible cannabis. The CRA approved the Service Agreement on August 12, 2025, and such approval remains in effect until August 1, 2026.

consultant (the "**Consultant**"), pursuant to which the Consultant makes available certain services, equipment and proprietary information to the Company, including:

(a) certain equipment and personnel (including on-site consultant managers) to assist with the Company's daily operations;

(b) training and industry know-how;

(c) rights and/or access to various "biomass" supply chains;

(d) drawings, designs and manufacturing specifications; and

(e) other technical data and information related to cannabis oil and extract products.

41. Pursuant to the Collaboration Agreement, the Company pays a monthly facility fee and consulting fee to the Consultant calculated based on monthly cannabinoid related production levels. The Collaboration Agreement remains in effect until October 9, 2028 (subject to the early termination rights of both parties).

E. Distribution & Service Agreements

42. The Company's distribution network allows Company products to be distributed to approximately 2,598 retail stores across Canada. The Company has supply agreements in place with (i) the British Columbia Liquor Distribution Branch, (ii) Alberta Gaming, Liquor and Cannabis Commission, (iii) Ontario Cannabis Stores, (iv) Cannabis NB, (v) Yukon Liquor Corporation, and (vi) Newfoundland and Labrador Liquor Corporation. It also sells directly to Manitoba Liquor & Lotteries.

43. In addition, Ayurcann has distribution agreements with distributors in Saskatchewan who distribute the Company's products directly to provincial retailers.

F. Cannabis Licences

1. Health Canada Licence

44. Licences to cultivate, process and/or sell cannabis, among other things, are regulated in Canada under the *Cannabis Act*, S.C. 2018, c. 16 and through the *Cannabis Regulations*, SOR/2018-144 (together, the "**Cannabis Regulations**").

45. Ayurcann holds a standard processing licence with Health Canada (the "**Health Canada Licence**"), which authorizes Ayurcann: to (i) possess cannabis; (ii) produce cannabis at the Pickering Facility, other than to obtain it by cultivating, propagating or harvesting; and (iii) sell cannabis in accordance with the Cannabis Regulations.

46. The Health Canada Licence expires on January 18, 2028. A copy of the Health Canada Licence is attached hereto as **Exhibit "C"**.

2. Licence with the CRA

47. Ayurcann holds a licence with the CRA requiring it to apply cannabis excise stamps to its cannabis products in accordance with the Excise Act (as defined below). The licence with the CRA expires on January 18, 2028. A copy of the CRA excise licence is attached hereto as **Exhibit "D"**.

G. Employees and Management

1. Employees

48. The Company employs approximately 38 salaried employees and 18 hourly employees. None of the Company's employees are represented by a union or are parties to a collective bargaining agreement.

49. A summary of the Company's workforce is set out below:

(a) 54 employees are located in Ontario;

(b) 2 employees are located in Alberta (each of which is a salesperson); and

(c) as required under the Cannabis Regulations, certain of the Company's employees are designated responsible persons and/or possess security clearances.

50. The Company processes its payroll on a bi-weekly basis. The aggregate payroll for the Company is approximately $144,000 per pay-cycle (subject to minor fluctuations), inclusive of employee wages, employer source deductions, and payroll processing fees. Payroll processing is administered by the Company's third-party service provider.

51. Employees are generally eligible for various benefits through the Company's group policy issued by The Empire Life Insurance Company.[4] The group policy offers, among other things, basic life insurance, health and dental expense benefits, long-term disability benefits and certain

[4] Employees are generally eligible to participate in the group benefits plan upon completing three months of continuous employment, provided that they work a minimum of 20 hours per week.

prescription plans for executives, employees and their dependents. The Company does not maintain any pension, retirement or deferred compensation plans.

52. All employees are entitled to vacation time and pay in accordance with the employment standards and regulations of each applicable province. It is anticipated that active full-time employees will continue to have access to their benefits during the proposed CCAA Proceedings.

53. Ayurcann Parent also has an omnibus incentive plan which was ratified and approved on December 30, 2023 (the "**Incentive Plan**"). The Incentive Plan permits Ayurcann Parent to grant equity-based incentive awards, on a rolling basis, to eligible participants, provided that the maximum number of Common Shares that may be issued under the plan cannot exceed 20% of all Common Shares issued and outstanding. All directors, employees and consultants are eligible to participate in the Incentive Plan.

2. Management Services Agreement

54. The Company has entered into five management services agreements with its directors (or corporations related thereto) and one former director (collectively, the "**Consulting Directors**"). Pursuant to these management services agreements, the Consulting Directors are entitled to certain monthly consulting fees, grants of restricted stock units, and discretionary cash bonuses (each as applicable).

55. During the CCAA Proceedings, the Company intends to continue paying its obligations under the management services agreements in the ordinary course, which total approximately $73,073,[5] in the aggregate, per month.

[5] Certain fees are paid on a quarterly basis (rather than per month).

H. Intellectual Property

56. The Company's intellectual property includes, without limitation, certain registered trade names and trademarks. The Company also maintains various proprietary processes, formulations, standard operating procedures, and technical know-how developed and used in connection with its extraction, manufacturing and processing of cannabis. To the extent applicable, the foregoing intellectual property is protected by a combination of trademark registrations or applications.

57. The Company has various proprietary brands, including Fuego, XPLOR and Happy & Stoned.

I. Cash Management and Credit Cards

58. The Company maintains its primary banking relationship with Alterna Savings & Credit Union Limited ("**Alterna**"), which holds the Company's sole operating account. The Company does not operate a centralized cash management center, rather cash disbursements and collections are managed directly through its operating account (the "**Cash Management System**").

59. The Company has a corporate American Express credit card,[6] and an account with Corpay, a payment platform that allows the Applicants to effect payment in multiple currencies.

60. The Cash Management System has several functions, including: (i) collection of accounts receivable from third parties; (ii) administration of disbursements to fund expenses, including payroll and benefits, capital expenditures and rental payments; and (iii) if approved, receipt of draws under the DIP Facility.

[6] The Company cancelled its Visa corporate credit card in January 2026, as part of ongoing cash management and cost-control efforts.

61. In connection with the proposed CCAA Proceedings, the Applicants are seeking the authority to continue to use the Cash Management System described above in order to maintain the funding and banking arrangements already in place for the Applicants. Any disruption to the Cash Management System would be extremely detrimental to the Applicants' operations.

J. Potential Litigation

62. The Company is currently in discussions with two potential claimants that have threatened but not yet commenced litigation. The Applicants estimate that, if the claims are not resolved consensually, the aggregate quantum of claims asserted against the Company would total approximately $290,000. The Company denies any liability in respect of the claims.

V. FINANCIAL POSITION OF THE APPLICANTS

63. The Applicants do not have sufficient financial resources to satisfy their normal course obligations as they fall due and are therefore insolvent on a cash flow basis. A summary of the Company's financial position, on a consolidated basis, as of December 31, 2025, is set out below.

64. As indicated, the Company's known and reasonably anticipated liabilities exceed the estimated value of the Company's assets. Copies of the Company's condensed interim consolidated financial statements for the three months ended December 31, 2025, as well as its financial statements for the 2025 financial year, are attached hereto as **Exhibit "E"**.

A. Assets

65. As at December 31, 2025, the Company had total consolidated assets with a book value of approximately $11,041,501,[7] which consisted primarily of the following:

Asset Type	Book Value (Consolidated)
Cash	$2,205,074
Restricted Cash	$500,750
Trade & Other Receivables	$2,905,269
Inventory	$2,939,757
Prepaid Expenses and Deposits	$92,344
Current Assets (Total):	**$8,643,194**
Property, Plant and Equipment[8]	$663,875
Right-of-use Assets	$650,857
Intangible Assets	$1,083,575
Non-Current Assets (Total):	**$2,398,307**
Total	**$11,041,501**

B. Liabilities

66. As at December 31, 2025, the Company had total consolidated liabilities with a book value owing of approximately $15,479,863, which consisted primarily of the following:

[7] The net realizable value of the assets may be less than the book value.
[8] The Company's primary assets include various manufacturing, processing, laboratory and quality assurance equipment.

Liability Type	Book Value (Consolidated)
Trade and Other Payables	$14,664,115
HST payable	$(49,882)
Current Portion of Lease Liability	$178,455
Current Portion of Long-Term Debt	$38,847
Liabilities Assets (Total):	**$14,831,535**
Lease Liability	$573,776
Long-Term Debt	$74,552
Non-Current Liabilities (Total):	**$648,328**
Total Liabilities	**$15,479,863**

C. Secured Obligations

67. The Company has no known general secured creditors. Rather, the Company's secured creditors are derived from its vehicle financing agreements and banking arrangements with Alterna.

68. The Company finances two vehicles from The Bank of Nova Scotia. A summary of the applicable financing agreements is set out below:

(a) The first financing agreement was entered into on August 16, 2022, for a principal amount of $108,612.59. The agreement remains effective for a term of 72 months – with the final payment due on August 16, 2028. The monthly payments due under the financing agreement total approximately $1,774.50 (which includes both interest and principal) and the annual interest rate is 5.50%.

(b) The second financing agreement was entered into on August 30, 2022, for a principal amount of $115,392.59. The agreement remains effective for a term of 72 months – with the final payment due on August 30, 2028. The monthly payments due under the agreement total approximately $1,885.27 (which includes both interest and principal) and the annual interest rate is 5.50%.

69. The Bank of Nova Scotia has registered its security interest in the aforementioned vehicles pursuant to the *Personal Property Security Act*, R.S.O. 1990, c. P.10 (the "**PPSA**"). Both vehicles are operated by the Company's co-founders (who are co-borrowers under their respective financing agreements).

70. The Company has also entered into banking agreements with Alterna in connection with the Cash Management System. Alterna has two security interests registered against the Company's operating bank account, and each registration is secured up to a maximum amount of $250,000.

71. The registrations detailed above are reflected in the search results conducted against the Applicants under the PPSA and attached hereto as **Exhibits "F"** and **"G"**. As demonstrated in the attached searches, Ayurcann does not have any other secured obligations.

D. Unsecured Obligations

1. Tax and Excise Duty

72. Cannabis producers in Canada are required to post security pursuant to the *Excise Act, 2001*, S.C. 2002, c. 22 (the "**Excise Act**"). The security provides the CRA with financial assurance for any outstanding excise duty payable. The security can be posted in the form of a surety bond or a deposit with the CRA.

73. Ayurcann has a surety bond in place for $500,000 with Amynta Surety Solutions. Consistent with the CRA's recent practices, the security posted is calculated as the average amount of cannabis duties payable for a calendar month in the previous twelve calendar months. These duties are calculated, in part, based on the expected number of grams or milligrams of packaged cannabis products expected to be sold.

74. As of January 26, 2026, Ayurcann owed the CRA approximately $10,556,517,[9] comprised of unpaid excise taxes, statutory remittances, interest and penalties (collectively, the "**Tax Arrears**"). There is also an additional approximately $648,406 of unremitted excise tax liabilities under dispute with the CRA, due to certain cannabis classifications made by the Company for the period of April 2022 to March 2025. The Company asserts that the classifications were correctly made and that the additional amounts are not owing.

75. As noted above, on December 5, 2025, the CRA sent a letter imposing a new payment plan in respect of the Tax Arrears (the "**CRA Correspondence**"). The proposed arrangement imposed monthly "catch-up" payments in the amount of $1,055,830.91 for six months, which would be required to be paid in addition to the Company's ongoing monthly excise obligations of approximately $1,930,075 – a total monthly amount of $2,985,905.

76. Prior to receiving the CRA Correspondence and since February 2025, the Company had a verbal informal arrangement with the CRA, where it was required to pay approximately $165,000 per month in respect of the Tax Arrears (meaning the new payment plan created an additional monthly expense of approximately $890,830.91). Until receipt of the CRA Correspondence and the unilateral imposition of revised payment terms, the Company had been in compliance with the

[9] This amount includes the Company's excise tax liabilities for the months of December and January, which have accrued but will not become due until January 31, 2026 and February 28, 2026, respectively.

agreed CRA payment plan, and is not aware of any circumstances that caused the CRA to change this arrangement on the terms set out in the CRA Correspondence.

77. A copy of the CRA Correspondence is attached here to as **Exhibit "H"**.

2. Unsecured Promissory Notes

78. In June 2025, prior to receiving the CRA Correspondence, the Company repaid certain unsecured promissory notes held by the Applicants' Chief Executive Officer and President (each a "**Note**", and together, the "**Notes**"). The total amount payable under each Note was $200,000 (inclusive of interest).

79. As of the date of this affidavit, both of the Notes have been satisfied in full and retired pursuant to their terms.

3. Health Canada

80. As of January 23, 2026, the Company owes Health Canada approximately $285,649, which largely relates to unpaid regulatory and licensing fees. Amounts owing to Health Canada are subject to a consensual payment plan, pursuant to which the Company is making agreed regular monthly payments of approximately $47,000. The Company intends to continue to make those payments during the CCAA Proceedings.

4. Third Party Suppliers

81. Given the nature of its business, the Company relies on a number of vendors and third-party service providers and, as such, is party to a number of agreements for the provision of certain essential services including, among other things, insurance, phone and internet, security, utilities,

professional costs and other services provided in connection with operating a business in the cannabis industry. The Company has accrued a significant amount of invoices owing to third party suppliers.

82. As of January 23, 2026, approximately $1,613,566 was owing to third-party suppliers (a portion of which is in arrears), excluding certain insurance and licensing fees. The Applicants are not aware of any enforcement actions commenced against the Company and there have been no instances of creditor forbearance.

5. Employee Liabilities

83. The Company is current with respect to its payroll obligations and source deduction remittances. Notwithstanding the foregoing, an amount of approximately $30,000 relating to the source deductions for the 2024 taxation year is currently under dispute with the CRA.

VI. URGENT NEED FOR RELIEF

84. The Applicants are both cash flow and balance sheet insolvent and experiencing a critical liquidity crisis.

85. As a result of the amended payment plan imposed by the CRA, among other things, the Applicants can no longer satisfy their obligations as they become due. The Applicants have no feasible refinancing options available at this time and no other way to repay their significant excise liabilities and ongoing operating costs in the circumstances. An additional excise payment of approximately $2,582,868 will be due January 31, 2026.

86. Any delay in initiating these CCAA Proceedings will cause the Applicants to incur additional excise liabilities and risk enforcement action by the CRA, further eroding the value of the Applicants' business, jeopardizing the Applicants' relationships with their employees, customers, regulators and suppliers, and threatening the success of the proposed Sales Process. The relief being sought pursuant to the Initial Order is the most efficient means of stabilizing the Applicants business in order for the Applicants to pursue a value maximizing, going-concern transaction for the benefit of their stakeholders.

VII. RELIEF SOUGHT AT THE INITIAL HEARING

A. Stay of Proceedings

1. Applicants

87. The Applicants urgently require a broad Stay of Proceedings to secure the breathing space necessary to stabilize their business and conduct the Sales Process, all while continuing operations in the ordinary course in order to maintain enterprise value.

88. The Applicants are unable to meet their financial obligations as they become due. It would be detrimental to the Applicants' business if proceedings were commenced or continued, or rights and remedies were executed, against the Applicants (especially in connection with any of Ayurcann's cannabis or excise licences – which are required under the Cannabis Regulations to operate the business).

89. In light of the foregoing, the Stay of Proceedings is in the best interests of the Applicants and their stakeholders. I understand that the Proposed Monitor believes that the Stay of Proceedings is appropriate in the circumstances.

2. Non-Applicant Stay Parties

90. I believe that it is in the best interests of the Applicants and their stakeholders to extend the benefits of the Stay of Proceedings to the Non-Applicant Stay Parties. Each of the Non-Applicant Stay Parties is an integrated member of the Ayurcann corporate group, including for the following reasons:

(a) they are directly and wholly owned subsidiaries of Ayurcann Parent (and accordingly, their shares will be assets that will fall under the purview and may be acquired as part of the potential Sale Process);

(b) their registered office is located at the Pickering Facility; and

(c) they share the same directors and officers as Ayurcann.

91. I believe the extension of the Stay of Proceedings to the Non-Applicant Stay Parties is necessary to ensure stability and preserve enterprise value throughout the CCAA Proceedings. Such extension is intended to prevent uncoordinated realization and enforcement attempts from being made against the Company during the proposed Stay Period.

92. Any proceedings commenced against the Non-Applicant Stay Parties will act as a distraction to the Applicants' good faith restructuring objectives. Any such distraction would (i) severely strain the Applicants' limited financial and human resources, (ii) divert my attention and the attention of the President and Chief Operating Officer of the Company (as the directors of the Non-Applicant Stay Parties) away from the CCAA Proceedings, and (iii) jeopardize the Company's restructuring efforts and the timely administration of the Sale Process (if approved).

93. In addition, without the benefit of the Stay of Proceedings, the Applicants' ability to market and sell their interests in the Non-Applicant Stay Parties would be compromised. I understand that the Proposed Monitor believes that the extension of the Stay of Proceedings to the Non-Applicant Stay Parties is appropriate in the circumstances.

B. Proposed Monitor

94. The proposed Initial Order contemplates that A&M will act as Monitor in the CCAA Proceedings. I understand that A&M has consented to act as Monitor of the Applicants in the CCAA Proceedings if the proposed Initial Order is granted. A copy of A&M's consent to act as Monitor is attached hereto as **Exhibit "I"**.

95. I am advised by Monitor's counsel that A&M is a licensed insolvency trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 and is not precluded from acting as Monitor as a result of any restrictions under subsection 11.7(2) of the CCAA.

C. Administration Charge

96. The Initial Order provides for a Court-ordered charge over the Property in favour of the Proposed Monitor and counsel to the Proposed Monitor and the Applicants (the "**Administrative Charge Beneficiaries**"). The proposed charge will secure payment of the Administrative Charge Beneficiaries' respective fees and disbursements incurred in connection with services rendered in these CCAA Proceedings up to a maximum amount of $250,000 (the "**Administration Charge**"). The Administration Charge is proposed to rank ahead of and have priority over all other charges and existing security registrations against the Applicants' Property.

97. The Applicants require the expertise, knowledge, and continued participation of the proposed Administrative Charge Beneficiaries during the CCAA Proceedings in order to complete a successful restructuring. Each of the Administrative Charge Beneficiaries will have distinct roles in the Applicants' restructuring.

98. The Applicants and the Proposed Monitor worked collaboratively to estimate the quantum of the Administration Charge, which took into account the limited retainers the professionals currently have and their outstanding fees. I believe that the Administration Charge is fair and reasonable in the circumstances. I understand that the Proposed Monitor is also of the view that the Administration Charge is fair and reasonable in the circumstances.

99. The Applicants intend to seek an increase to the Administration Charge to $800,000 at the Comeback Hearing. I am advised by Jesse Mighton ("**Mr. Mighton**") of Bennett Jones LLP, and believe that, best commercial efforts will be used to provide notice of the within motion to each of the Applicants' secured creditors that may be affected by the proposed Administration Charge and have registered security interests under the PPSA.

D. Directors' Charge

100. I am advised by Mr. Mighton, and believe that, in certain circumstances, directors and officers can be held liable for obligations of a company, including those owed to employees and government entities. Among other things, I understand that these obligations may include unpaid accrued wages and unpaid accrued vacation pay, together with unremitted excise, sales, goods and services, and harmonized sales taxes.

101. It is my understanding that the Applicants' present and former directors and officers (the "**Directors and Officers**") are among the potential beneficiaries under the Company's liability insurance policy maintained by HDI Global Specialty SE. However, I understand that these policies have various exceptions, exclusions and carve-outs and that they may not provide sufficient coverage against the potential liability that the Directors and Officers could incur in connection with the CCAA Proceedings.

102. Given the risks related to these CCAA Proceedings and the uncertainty surrounding available indemnities and insurance, I understand that the current Directors' and Officers' involvement in the CCAA Proceedings is conditional upon: (i) the granting of a priority charge in favour of the Directors and Officers in the amount of $625,000 (the "**Directors' Charge**"); and (ii) the Applicants seeking releases on behalf of the Directors or Officers as part of any plan or plans of arrangement or in respect of any transaction conducted through the Sale Process.

103. The Applicants require the involvement of the Directors and Officers in order to continue their business operations in the ordinary course and to advance the proposed Sale Process. The Directors' Charge would serve as security for the indemnification obligations and potential liabilities that the Directors and Officers may face during the initial ten-day period of the CCAA Proceedings. The proposed Initial Order contemplates that the Directors' Charge will rank subordinate to the Administration Charge.

104. The Applicants intend to seek an increase to the Directors' Charge to $3,020,000 at the Comeback Hearing. The Applicants believe that the Directors' Charge is reasonable in the circumstances. I understand that the Proposed Monitor is supportive of the Directors' Charge and its quantum.

E. Cash Flow Forecast

105. With the assistance of the Proposed Monitor, the Applicants have undertaken a cash flow analysis to determine the Company's expected liquidity over the proposed Stay Period. As reflected in the Cash Flow Forecast, no DIP financing is required for the Stay Period.

106. I understand that the Cash Flow Forecast will be attached to the Pre-Filing Report.

F. Relief from Reporting and Filing Obligations

107. Ayurcann Parent is seeking to be relieved from incurring any further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada and Germany. The Applicants also seek to relieve Ayurcann Parent from its obligation to call and hold annual meetings of its shareholders until further order of the Court.[10] This relief is necessary given Ayurcann Parent's status as a publicly-traded company and reporting issuer listed on the CSE and the FSE.

108. The proposed CCAA Proceedings are expected to be conducted in a transparent manner, through which Ayurcann Parent's shareholders and other stakeholders will receive information and be kept apprised of Ayurcann Parent's restructuring efforts. Relief from the Securities Filings and annual shareholders' meeting requirements is critical, as it will allow Ayurcann Parent to avoid the additional time and expense associated with maintaining current public filings and preparing meeting materials.

[10] The last annual general meeting of shareholders was held in June 2025.

109. Ayurcann Parent and the Proposed Monitor and their respective directors, officers, employees and other representatives are also seeking to be relieved from any personal liability resulting from a failure to make any Securities Filings.

VIII. RELIEF TO BE SOUGHT AT THE COMEBACK HEARING

110. As referenced above, the Applicants intend to seek the ARIO and potentially the Sale Process Approval Order at the Comeback Hearing. The relief contemplated by each of the proposed ARIO and Sale Process Approval Order is described below, in order to provide as much notice as possible to stakeholders and interested parties.

A. ARIO

1. Stay Extension

111. The proposed Initial Order seeks the granting of the Stay of Proceedings to and until February 9, 2026. At the Comeback Hearing, the Applicants intend to seek an extension of the Stay of Proceedings, including in favour of the Non-Applicant Stay Parties. The proposed extension of the Stay of Proceedings will enable the Applicants to continue to operate the business and conduct the Sale Process with a view to implementing a value-maximizing transaction.

2. Increases to Charges

112. The charges proposed in the Initial Order are intended for the initial Stay Period only. The proposed ARIO is anticipated to provide for the following amendments to the Administration Charge and the Directors Charge, listed in order of priority (not including the proposed DIP Lender's Charge, KERP Charge and Bid Protections Charge, as applicable):

(a) Administration Charge to increase to a maximum of $800,000; and

(b) Directors' Charge to increase to a maximum of $3,020,000.

113. The Applicants believe the amounts of the proposed charges (both in the Initial Order and the ARIO) are fair and reasonable in the circumstances. I understand that the Proposed Monitor is also supportive of the proposed charges, including as increased and/or granted pursuant to the proposed ARIO.

3. DIP Facility Approval

114. The Applicants will likely require financing in the CCAA Proceedings to continue operating in the ordinary course and fund their restructuring efforts. The Applicants intend to finalize negotiations with the Proposed DIP Lender in the near term and, if required, seek approval of the DIP Facility at the Comeback Hearing.

115. The Proposed DIP Lender has advised that the DIP Facility will be contingent on the granting of a charge over the Property in favour of the Proposed DIP Lender to secure the amounts borrowed under the DIP Facility.

4. KERP Approval

116. The Applicants, in consultation with the Monitor, are developing a key employee retention plan (the "**KERP**"), pursuant to which the Company proposes to make retention payments to a limited number of the Applicants' employees. The payments under the KERP are expected to be modest.

117. I believe certain key employees are essential to the continued operation of the business during these proceedings and will be needed to assist in the Sale Process (if approved) and the closing of any related transaction. The Applicants understand that the Monitor is supportive of the Company seeking approval of the KERP at the Comeback Hearing.

118. The Applicants also intend to seek a charge at the Comeback Hearing securing the maximum amount payable under the KERP (the "**KERP Charge**").

119. Prior to the Comeback Hearing, the Applicants intend to provide the Court with a schedule containing the names of the proposed KERP recipients, their positions, their current compensation and the proposed amount to be received by each recipient (the "**KERP Summary**"). Given the confidential nature of the information contained in the KERP Summary, the Applicants are expected to seek a sealing order related thereto at the Comeback Hearing.

5. Ability to Pay Certain Pre-Filing Amounts

120. The Applicants will be seeking the authorization (but not obligation) to pay, with the consent of the Monitor, amounts owing for goods and services actually supplied to the Applicants prior to the date of the Initial Order.

121. The Applicants understand that the Proposed Monitor is supportive of the Applicants' authorization to pay for certain pre-filing goods and services. Further, the Proposed Monitor has advised that it will provide oversight to ensure that any payment of pre-filing liabilities will be limited to the extent reasonably necessary.

B. Sale Process Approval Order

122. As discussed above, subject to the advancement of negotiations in respect of the Stalking Horse Purchase Agreement, the Applicants may seek the Sale Process Approval Order at the Comeback Hearing. The Sale Process Approval Order, if approved, will enable the Applicants to pursue a value-maximizing transaction for the benefit of its stakeholders.

1. Stalking Horse Purchase Agreement

123. The Applicants are in the process of finalizing the Stalking Horse Purchase Agreement, which will serve as the basis for the Stalking Horse Bid in the Sales Process.

124. The Stalking Horse Purchase Agreement is contemplated to be structured as a reverse vesting transaction. In the event that the Stalking Horse Bid is the successful bid in the Sale Process, it is expected that the stalking horse purchaser will acquire the share capital of one or more members of the Company, while vesting out all, or substantially all, of the Applicants' liabilities to a residual company.

125. Further details regarding the Stalking Horse Purchase Agreement and the Stalking Horse Bid will be provided once the agreement is finalized (as applicable).

2. Sale Process

126. The proposed Sale Process provides for the Applicants and the Monitor to solicit interest in a sale of the Company's assets and business operations.

127. It is anticipated that in order for their bid(s) to be evaluated as part of the Sale Process, interested parties will be required to enter into a non-disclosure agreement and submit a binding

offer meeting the requirements enumerated in the Sale Process. Further details regarding the Sale Process will be provided in a subsequent affidavit to be filed in connection with the Applicants' motion to approve the Sale Process Approval Order.

IX. CONCLUSION

128. In consultation with the Company's professional advisors, I believe that the proposed Initial Order is in the best interests of the Applicants and their stakeholders. The Stay of Proceedings, including as extended to the Non-Applicant Stay Parties, will allow the Applicants to continue ordinary course operations with the breathing space and stability necessary to develop and implement their restructuring.

129. In the circumstances, I believe that the CCAA Proceedings are the only viable means of restructuring the Applicants' business for the benefit of their stakeholders and that the relief sought in the Initial Order is limited to what is reasonably necessary to stabilize the Applicants' business in the initial ten-day period.

SWORN REMOTELY by Igal Sudman stated as being located in the City of Vaughan, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2026, remotely via videoconference in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:
Igal Sudman
26ACA44216F7480...

IGAL SUDMAN

JAMIE ERNST
A Commissioner for Taking Affidavits in and for the Province of Ontario

THIS IS **EXHIBIT "B"** REFERRED TO IN THE AFFIDAVIT
OF IGAL SUDMAN, SWORN BEFORE ME
THIS 28TH DAY OF MAY, 2026.

SHAWN KIRKMAN
A Commissioner for taking Affidavits
(or as may be)

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Applicants

AFFIDAVIT OF IGAL SUDMAN
(Sworn February 3, 2026)

TABLE OF CONTENTS

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Applicants

AFFIDAVIT OF IGAL SUDMAN
(Sworn February 3, 2026)

I, Igal Sudman, of the City of Pickering, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am the Co-Founder and Chief Executive Officer of Ayurcann Holdings Corp. ("**Ayurcann Parent**"), which wholly-owns Ayurcann Inc. ("**Ayurcann**", and together with Ayurcann Parent, the "**Applicants**" or the "**Company**"). Since the Company's formation in 2018, I have been actively involved in managing the Applicants' business operations and overseeing the Company's strategic direction and growth. As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and believe them to be true.

2. This affidavit should be read in conjunction with my affidavit sworn on January 29, 2026 (the "**First Sudman Affidavit**") in support of the Applicants' application for the Initial Order dated January 30, 2026 (the "**Initial Order**"). All capitalized terms not otherwise defined herein have the meaning ascribed to them in the First Sudman Affidavit or the Initial Order, as applicable. A copy of the First Sudman Affidavit (without exhibits) is attached hereto as **Exhibit "A"**.

3. I swear this affidavit in support of a motion by the Applicants for a proposed Amended and Restated Initial Order (the "**ARIO**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and the proceedings related thereto, the "**CCAA Proceedings**"), among other things:

(a) extending the Stay of Proceedings to and including February 27, 2026, including in favour of the Non-Applicant Stay Parties;

(b) increasing the quantum of: (i) the Administration Charge to a maximum amount of $800,000; and (ii) the Directors' Charge to a maximum amount of $3,020,000;

(c) approving a key employee retention plan (the "**KERP**") and granting a related super-priority charge (the "**KERP Charge**"), ranking subordinate to the Administration Charge and the Directors' Charge, but in priority to all other encumbrances;

(d) sealing the KERP Summary (as defined below), to be appended to the First Report of Alvarez & Marsal Canada Inc. ("**A&M**" and the "**First Report**"), in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**"), to be filed;

(e) authorizing, but not obligating, the Applicants to pay, with the consent of the Monitor, amounts owing for goods and services supplied to the Applicants prior to the Filing Date (as defined below), up to a maximum aggregate amount of $300,000;

(f) preserving the *status quo* of the Regulatory Licences (as defined below); and

(g) granting certain customary ancillary relief to support the Applicants' restructuring activities (as discussed in greater detail below).

4. Nothing in this affidavit is intended to waive any privilege of any kind including, without limitation, any privilege attaching to any communications between any of the Applicants and their legal counsel, other professional advisors or otherwise. All references to currency in this affidavit are in Canadian dollars.

I. INTRODUCTION AND BACKGROUND[1]

5. Through its operating subsidiary (Ayurcann), the Company is a licenced cannabis producer and manufacturer which specializes in the formulation, packaging, distribution, and product development of high-quality cannabis products in the Canadian recreational market. Ayurcann Parent is a reporting issuer in the provinces of Ontario, British Columbia and Alberta with its shares listed on the Canadian Securities Exchange and Frankfurt Stock Exchange.

6. The Company develops its own cannabis brands with a strong focus on high-growth processed and derivative products such as vapes, pre-rolls and extracts, and operates from a leased, licenced cannabis facility in Pickering, Ontario (the "**Pickering Facility**").

7. Despite historically strong revenues and stable cash flow, the Company has accumulated material excise tax liabilities payable to the Canada Revenue Agency (the "**CRA**"). On December 5, 2025, the CRA unilaterally imposed a mandatory payment plan on the Applicants, requiring monthly excise "catch-up" payments in the amount of approximately $1,056,000, which were to be paid in addition to the Applicants' ongoing monthly remittance obligations. The Applicants

[1] The facts underlying the Applicants' financial circumstances and need for CCAA protection are set out in the First Sudman Affidavit and are not repeated exhaustively herein.

lacked sufficient liquidity to comply with the new payment plan and, once it came into effect, could no longer fund their operations in the ordinary course.

8. As a result, on January 30, 2026 (the "**Filing Date**"), the Applicants sought and obtained creditor protection under the CCAA pursuant to the Initial Order, which, among other things:

(a) declared that the Applicants are parties to which the CCAA applies;

(b) appointed A&M as the Monitor;

(c) granted an initial Stay of Proceedings in favour of the Applicants and the Non-Applicant Stay Parties until and including February 9, 2026 (the "**Stay Period**");

(d) granted the Administration Charge and the Directors' Charge; and

(e) relieved Ayurcann Parent from any obligation to incur further expenses in relation to its Securities Filings.

9. Copies of the Initial Order and the accompanying endorsement of the Honourable Justice Kimmel dated January 30, 2026 are attached hereto as **Exhibit "B"** and **Exhibit "C"**, respectively.

II. UPDATE ON THE CCAA PROCEEDINGS

10. Since the Initial Order was granted, the Applicants have continued negotiations with an arm's length, third-party potential purchaser (the "**Potential Stalking Horse Bidder**") to negotiate debtor-in-possession financing ("**DIP Financing**") and an agreement of purchase and sale (the "**Stalking Horse Purchase Agreement**"). Once finalized, the Stalking Horse Purchase Agreement is intended to serve as the "stalking horse bid" in a Court-approved sale process in respect of the Applicants' assets and business (the "**Sale Process**").

11. The Monitor, with the assistance of the Applicants, has populated a virtual data room to enable the Potential Stalking Horse Bidder to complete its due diligence in order to finalize a binding agreement that is not conditional on further diligence, and which will serve as the data room for other potentially interested parties in the forthcoming Sale Process. The Applicants, in consultation with the Monitor and the Potential Stalking Horse Bidder, have been working diligently to finalize the terms of the proposed DIP Financing, the Stalking Horse Purchase Agreement and the related Sale Process, in order to return to Court for their approval as soon as possible.

12. If the terms of both the proposed DIP Financing and the Stalking Horse Purchase Agreement are finalized in the very near term, the Applicants may file a further motion record prior to the comeback hearing returnable February 9, 2026 (the "**Comeback Hearing**"), to seek, among other things, approval of the proposed DIP Financing, the Stalking Horse Purchase Agreement and the Sale Process, as well as charges in favour of the Potential Stalking Horse Bidder securing certain bid protections and amounts advanced under the proposed DIP Financing (the "**DIP, Stalking Horse and Sale Process Approvals**").

13. However, if the parties require additional time to complete diligence, negotiations and documentation, the Applicants will return before the Court as soon as reasonably practical after the Comeback Hearing upon finalizing the applicable definitive documents to seek the DIP, Stalking Horse and Sale Process Approvals and providing notice to the service list.

III. THE ARIO

A. Stay of Proceedings

1. Applicants

14. Pursuant to the Initial Order, the Court granted a Stay of Proceedings until and including February 9, 2026. Pursuant to the ARIO, the Applicants are seeking an extension of the Stay Period until and including February 27, 2026 (the "**Stay Extension**").

15. The Applicants seek to extend the Stay of Proceedings to preserve the *status quo* and afford the Applicants the continued breathing space and stability required to operate their business in the ordinary course. The proposed Stay Extension will provide the Applicants with limited additional time to complete negotiations with the Potential Stalking Horse Bidder, and seek the DIP, Stalking Horse and Sale Process Approvals, with a view to identifying a value-maximizing transaction for the benefit of the Applicants and their stakeholders.

16. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize their business and continue operations in the ordinary course, advance negotiations with the Potential Stalking Horse Bidder, develop the terms of the KERP in consultation with the Monitor, and with the assistance of the Monitor, deploy a communications plan notifying key stakeholders of the CCAA Proceedings, which included:

(a) on January 30, 2026, disseminating a press release which informed investors and other interested parties that the Applicants had obtained creditor protection pursuant to the CCAA;

(b) hosting various meetings with the Applicants' employees; and

(c) contacting key customers and suppliers.

17. In connection with the proposed Stay Extension, the Applicants, with the assistance of the Monitor, prepared a revised cash flow forecast (the "**Revised Cash Flow Forecast**") to determine their funding requirements throughout the proposed Stay Extension. I understand that a copy of the Revised Cash Flow Forecast will be attached to the First Report.

18. I further understand that the Monitor has reviewed the Revised Cash Flow Forecast and is of the view that the Applicants will have sufficient liquidity to maintain normal course operations through the proposed Stay Extension. Additionally, the Monitor has advised that it is supportive of the proposed Stay Extension and that it believes that such extension is reasonable in the circumstances.

19. Accordingly, I believe that the proposed Stay Extension is appropriate and in the best interest of the Applicants and their stakeholders. Further, I do not believe that any creditor will be materially prejudiced by the proposed Stay Extension.

2. Non-Applicant Stay Parties

20. I believe that it is in the best interests of the Applicants and their stakeholders that the Stay of Proceedings currently in place in favour of the Non-Applicant Stay Parties also be extended through the proposed Stay Extension. As noted in the First Sudman Affidavit, each of the Non-Applicant Stay Parties is an integrated member of the Ayurcann corporate group, including for the following reasons:

(a) they are directly and wholly owned subsidiaries of Ayurcann Parent;

(b) their registered office is located at the Pickering Facility; and

(c) they share the same directors and officers (the "**Directors and Officers**") as Ayurcann.

21. As was the case for the Initial Order, any proceedings commenced against the Non-Applicant Stay Parties will act as a distraction to the Applicants' good faith restructuring objectives, and would severely strain the Applicants' limited financial and human resources and jeopardize the Company's restructuring efforts.

22. I understand that the Monitor believes that the extension of the Stay of Proceedings in favour of the Non-Applicant Stay Parties continues to be appropriate in the circumstances.

B. Increases to the Charges

1. The Administration Charge

23. The Initial Order granted an Administration Charge in favour of the Monitor, counsel to the Monitor and counsel to the Applicants over the Property up to a maximum of $250,000, which took into account their limited retainers and outstanding fees. The ARIO contemplates increasing the quantum of the Administration Charge to a maximum amount of $800,000.

24. As was the case for the Initial Order, the Applicants still require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during the CCAA Proceedings to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in the CCAA Proceedings.

25. The Administration Charge ranks in first priority to all encumbrances and charges over the Property.

26. I believe that the increased quantum of the Administration Charge is fair and reasonable in the circumstances. I understand that the Monitor also supports the proposed increase to the quantum of the Administration Charge.

2. The Directors' Charge

27. The Initial Order granted a Directors' Charge in favour of the Directors and Officers up to a maximum of $625,000, which reflected an estimate of potential liabilities the Directors and Officers could incur up to the date of the Comeback Hearing. The ARIO contemplates increasing the quantum of the Directors' Charge to a maximum of $3,020,000. The Directors' Charge ranks subordinate to the Administration Charge, but in priority to all other encumbrances and charges over the Property.

28. The Directors' and Officers' ongoing involvement in the CCAA Proceedings is critical to the Applicants' restructuring objectives. The Directors' and Officers' have already played a critical role in negotiating the Stalking Horse Purchase Agreement and DIP Financing, and stabilizing operations through their valuable relationships with customers, suppliers and employees. They are also expected to play an integral role in administering and soliciting interest in the Sale Process.

29. I believe that the increased quantum of the Directors' Charge is fair and reasonable in the circumstances. To the extent there are any exceptions or exclusions in the Company's liability insurance policy, the Directors' Charge serves as security for the indemnification obligations and potential liabilities that the Directors and Officers may face during the CCAA Proceedings.

30. I understand that the Monitor also supports the proposed increase to the quantum of the Directors' Charge. The Applicants understand from the Monitor, that the proposed Directors' Charge was calculated based on an estimate of the maximum potential liability the Directors and Officers could incur during the CCAA Proceedings. I further understand that the Monitor will include a breakdown of the proposed Directors' Charge in the First Report.

C. KERP

1. Terms of the KERP and the KERP Charge

31. The Applicants, in consultation with the Monitor, have developed the KERP to maintain operational stability and minimize disruptions to the business during the CCAA Proceedings. Pursuant to the terms of the KERP, the Applicants propose to make modest but important retention payments to four employees and one contractor (each a "**Key Employee**" and collectively, the "**Key Employees**"). None of the Key Employees serves as a Director or Officer of either Applicant.

32. In the aggregate, the KERP provides for a maximum of $66,250 in total payments (the "**KERP Payment Amount**") to be made to the Key Employees. The proposed KERP payments were calculated as a percentage of each Key Employee's annual salary (or annual contractual entitlement).

33. I believe the Key Employees are essential to the continued operation of the business during the CCAA Proceedings and will be needed to assist in any potential Sale Process and the successful completion of a transaction thereunder. The retention of the Key Employees and their ongoing commitment to the Company is critical for the following reasons, among others:

(a) the Key Employees possess essential management and leadership expertise necessary for the continued operation of the Applicants' business in the ordinary course. In certain instances, the Key Employees also hold security clearances as required under the Cannabis Regulations, which are necessary for Ayurcann's cannabis licences to stay in good standing throughout the CCAA Proceedings;

(b) the KERP will provide stability to the Applicants' business by limiting operation disruptions, preserving value for creditors and other stakeholders;

(c) none of the Key Employees could be easily replaced internally and the process to find appropriately qualified replacements externally would be lengthy, difficult, and costly at a time when the Applicants should be focused on their operations and achieving a value-maximizing transaction pursuant to the Sale Process;

(d) the Key Employees have extensive knowledge of, and familiarity with, the business;

(e) without the KERP, the Key Employees would likely consider other employment options. I believe the KERP payments will encourage the continued participation of the Key Employees throughout the CCAA Proceedings; and

(f) the amounts payable under the KERP are modest, but are expected to be meaningful to the Key Employees.

34. The Applicants, with the assistance of the Monitor, have prepared template agreements for each Key Employee (the "**KERP Agreements**"). Each KERP Agreement provides that a Key

Employee will be entitled to its allocation of the KERP Payment Amount upon the Eligibility Date,[2] subject to the satisfaction of the following conditions:

(a) the ARIO has been granted;

(b) the Key Employee remains employed by the Company (other than if terminated without cause) and continues to perform its duties to the best of its abilities in accordance with the terms of the KERP Agreement; and

(c) the Key Employee has not disclosed the terms of the KERP or its KERP Agreement, subject to certain limited exceptions.

35. The Monitor was consulted during the development of the KERP. The Applicants understand that the KERP's terms are comparable to other key employee retention plans approved in CCAA proceedings undertaken by other cannabis companies and believe they are reasonable in the circumstances.

36. The Applicants are also seeking a charge securing the KERP Payment Amount, which will be subordinate only to the Administration Charge and the Directors' Charge. I believe the KERP Charge is reasonable and necessary in the circumstances.

37. I am advised by the Monitor that it supports the approval of the proposed KERP and the granting of the KERP Charge.

[2] The definition of "Eligibility Date" in the KERP Agreements is "the earliest of: (a) the closing date of a sale of all or substantially all of the assets of the Company to an acquiring entity; (b) the date specified in the Company's notice of termination upon which your employment with the Company comes to an end without cause; and (c) the date of termination or conversion of the CCAA Proceedings where a sale transaction has not been completed."

2. Sealing the KERP Summary

38. The Applicants, with the assistance of the Monitor, have prepared a schedule containing the names of the proposed KERP recipients, their positions, their current compensation and the proposed amount to be received by each recipient (the "**KERP Summary**").

39. Pursuant to the proposed ARIO, the Applicants seek to have the KERP Summary sealed until further Order of the Court due to the highly sensitive, personal and confidential information contained within. Additionally, I believe any disclosure of the KERP Summary would likely cause discord among the Applicants' employees given the relatively modest size of the Company and the limited number of employees included as part of the KERP.

40. On balance, I believe the benefits of the proposed sealing relief, which are to protect the general commercial interest of maintaining the confidentiality of sensitive information, far outweigh the potential harm in the circumstances. The Monitor supports the sealing request and agrees that it is proportionate and reasonable in the circumstances.

41. I understand from the Monitor that a copy of the KERP Summary will be appended to the First Report as a confidential appendix.

D. Ability to Pay Certain Pre-Filing Amounts

42. Pursuant to the proposed ARIO, the Applicants are seeking authorization (but not the obligation) to pay, with the consent of the Monitor, amounts owing for goods and services actually supplied to the Applicants prior to the Filing Date (i.e., January 30, 2026), with the Monitor considering, among other factors, whether:

(a) the supplier or service provider is essential to the business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply;

(b) making such payment will preserve, protect or enhance the value of the Property or the business;

(c) making such payment is required to address regulatory concerns; and

(d) the supplier or service provider is required to continue to provide goods or services to the Applicants after the date of the Initial Order, including pursuant to the terms of the Initial Order.

43. I believe this relief is necessary to maintain ordinary course operations, particularly given the highly regulated nature of the Applicants' business. Absent authorization to make certain pre-filing payments, the Applicants are concerned that their third-party suppliers may cease providing essential goods and services. A disruption in the supply of essential goods and services to the Applicants could imperil their ability to comply with contractual and customer obligations and jeopardize their ability to continue operating the business – all to the detriment of the Applicants and their stakeholders.

44. The Applicants understand that the Monitor is supportive of the Applicants' authorization to pay for certain pre-filing goods and services. Further, the Monitor has advised that it will engage with the Applicants to ensure that any payments made to suppliers and service providers in connection with the Applicants' pre-filing liabilities will be limited to the extent reasonably necessary.

E. Regulatory Licences

45. To avoid costly disruptions to the Applicants' business, the Applicants are seeking to maintain the *status quo* of Ayurcann's Regulatory Licences throughout the Stay Period (as may be amended from time to time). To the extent that any Regulatory Licence expires during the Stay Period, the proposed ARIO would deem such Regulatory Licence to be extended for a period equal to the Stay Period.

46. Ayurcann holds: (i) a standard processing licence with Health Canada (the "**Health Canada Licence**"); (ii) a licence with the CRA requiring it to apply cannabis excise stamps to its cannabis products in accordance with the Excise Act (the "**CRA Cannabis Licence**"), and (iii) an excise duty licence with the CRA authorizing Ayurcann, in accordance with the Excise Act, to use bulk-alcohol,[3] non-duty paid package alcohol and/or a restricted formulation, on a duty-free basis (the "**Excise Duty Licence**", and collectively with the Health Canada Licence and the CRA Cannabis Licence, the "**Regulatory Licences**").

47. The Health Canada Licence, the CRA Cannabis Licence and the Excise Duty Licence expire on January 18, 2028, January 18, 2028, and February 23, 2026, respectively. The Company has requested a renewal from the CRA in respect of the Excise Duty Licence, but as of the date of this affidavit, such renewal has not been granted.

48. I believe the Regulatory Licences are essential to preserving the *status quo* during the CCAA Proceedings. The Regulatory Licences are among the Company's most valuable assets and are necessary for the Applicants' operations to continue in the ordinary course. Among other

[3] Ayurcann uses ethanol as part of its extraction process.

things, the Regulatory Licences are required under the Cannabis Regulations to operate the Applicants' business (including Ayurcann's processing and extraction activities) and, as applicable, they preserve enterprise value by reducing excise-related costs. Copies of the Health Canada Licence, the CRA Cannabis Licence and the Excise Duty Licence are attached hereto as **Exhibits "D" – "F"**, respectively.

F. Ancillary Relief

49. I have been advised by Jesse Mighton of Bennett Jones LLP that the proposed ancillary relief reflected in the ARIO is contemplated by the Ontario form of model CCAA initial order, and authorizes (but does not obligate) the Applicants to undertake a range of restructuring activities, including pursuing a plan of arrangement, disclaiming contracts and implementing other restructuring initiatives. Although the Applicants do not currently plan to utilize these restructuring tools, they are requesting approval of them at this time, should resorting to these alternatives become necessary to facilitate the restructuring of the Applicants' business.

IV. CONCLUSION

50. I believe that the proposed ARIO is in the best interests of the Applicants and their stakeholders. The proposed Stay Extension, including as extended to the Non-Applicant Stay Parties, will allow the Applicants to continue ordinary course operations with the breathing space and stability necessary to develop and implement their restructuring and the Sale Process with a view to identifying a value-maximizing transaction for the benefit of the Applicants and their stakeholders.

51. I swear this affidavit in support of the Applicants' motion for the proposed ARIO and for no other or improper purpose.

SWORN REMOTELY by Igal Sudman stated as being located in the City of Pickering, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on February 3, 2026, remotely via videoconference in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:
Igal Sudman
26ACA44216F7480...

JAMIE ERNST
A Commissioner for Taking Affidavits in and for the Province of Ontario

IGAL SUDMAN

THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT
OF IGAL SUDMAN, SWORN BEFORE ME
THIS 28TH DAY OF MAY, 2026.

SHAWN KIRKMAN
A Commissioner for taking Affidavits
(or as may be)

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Applicants

AFFIDAVIT OF IGAL SUDMAN
(Sworn February 8, 2026)

TABLE OF CONTENTS

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Applicants

AFFIDAVIT OF IGAL SUDMAN
(Sworn February 8, 2026)

I, Igal Sudman, of the City of Pickering, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am the Co-Founder and Chief Executive Officer of Ayurcann Holdings Corp. ("**Ayurcann Parent**"), which wholly-owns Ayurcann Inc. ("**Ayurcann**" and together with Ayurcann Parent, the "**Applicants**" or the "**Company**"). Since the Company's formation in 2018, I have been actively involved in managing the Applicants' business operations and overseeing the Company's strategic direction and growth. As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and believe them to be true.

2. This affidavit should be read in conjunction with my affidavits sworn on January 29, 2026 (the "**First Sudman Affidavit**") and February 3, 2026 (the "**Second Sudman Affidavit**"), in support of the Applicants' application for the Initial Order dated January 30, 2026 (the "**Initial Order**") and their motion for the ARIO (as defined below) returnable February 9, 2026, respectively. All capitalized terms not otherwise defined herein have the meaning ascribed to them

in the First Sudman Affidavit, the Second Sudman Affidavit or the Initial Order, as applicable. Copies of the First Sudman Affidavit and the Second Sudman Affidavit (each without exhibits) are attached hereto as **Exhibit "A"** and **Exhibit "B"**, respectively.

3. I swear this affidavit in support of a motion by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and the proceedings related thereto, the "**CCAA Proceedings**") for:

(a) a Second Amended and Restated Initial Order (the "**Second ARIO**"), among other things:

(i) approving Ayurcann's ability to borrow up to a principal amount of $2,000,000 under a debtor-in-possession ("**DIP**") credit facility (the "**DIP Facility**") to finance the Company's critically required working capital requirements and other general corporate purposes, post-filing and professional expenses, and costs;

(ii) granting the DIP Lender's Charge (as defined below) up to a maximum amount of $2,000,000, plus accrued and unpaid interest, fees and expenses, with the priority set out in the Second ARIO (i.e., ranking subordinate to the Administration Charge but in priority to all other encumbrances); and

(iii) extending the Stay of Proceedings to and until April 30, 2026; and

(b) an order (the "**Sale Process Approval Order**"), among other things:

(i) authorizing and approving the Applicants' execution of an agreement of purchase and sale dated February 8, 2026 (the "**Stalking Horse Purchase Agreement**") between the Applicants and Auxly Cannabis Group Inc. ("**Auxly**" and in such capacity, the "**Stalking Horse Bidder**"), including the Bid Protections (as defined below);

(ii) granting a Court-ordered charge over the Property in favour of the Stalking Horse Bidder as security for payment of the Bid Protections (the "**Bid Protections Charge**"), with the priority set out in the Second ARIO (i.e. subordinate to the Administration Charge, the DIP Lender's Charge, the Directors' Charge and the KERP Charge);

(iii) approving a sale process (the "**Sale Process**") in respect of the Applicants in which the Stalking Horse Purchase Agreement will serve as the "**Stalking Horse Bid**" and authorizing the Applicants and the Monitor to implement the Sale Process pursuant to its terms; and

(iv) authorizing and directing the Applicants and the Monitor to perform their respective obligations and do all things reasonably necessary to perform their obligations under the Sale Process.

4. Nothing in this affidavit is intended to waive any privilege of any kind including, without limitation, any privilege attaching to any communications between any of the Applicants and their legal counsel, other professional advisors or otherwise. All references to currency in this affidavit are in Canadian dollars.

I. INTRODUCTION AND BACKGROUND[1]

5. Through its operating subsidiary (Ayurcann), the Company is a licenced cannabis producer and manufacturer which specializes in the formulation, packaging, distribution, and product development of high-quality cannabis products in the Canadian recreational market. Ayurcann Parent is a reporting issuer in the provinces of Ontario, British Columbia and Alberta with its shares listed on the Canadian Securities Exchange and Frankfurt Stock Exchange.

6. The Company develops its own cannabis brands with a strong focus on high-growth processed and derivative products such as vapes, pre-rolls and extracts, and operates from a leased, licenced cannabis facility in Pickering, Ontario.

7. Despite historically strong revenues and stable cash flow, the Company has accumulated material excise tax liabilities payable to the Canada Revenue Agency (the "**CRA**"). On December 5, 2025, the CRA unilaterally imposed a mandatory payment plan on the Applicants, requiring monthly excise "catch-up" payments in the amount of approximately $1,056,000, which were to be paid in addition to the Applicants' ongoing monthly remittance obligations. The Applicants lacked sufficient liquidity to comply with the new payment plan and, once it came into effect, could no longer fund their operations in the ordinary course.

8. As a result, on January 30, 2026 (the "**Filing Date**"), the Applicants sought and obtained creditor protection under the CCAA pursuant to the Initial Order, which, among other things:

(a) declared that the Applicants are parties to which the CCAA applies;

[1] The facts underlying the Applicants' financial circumstances and need for CCAA protection are set out in the First Sudman Affidavit and are not repeated exhaustively herein.

(b) appointed Alvarez & Marsal Canada Inc. as the Monitor;

(c) granted an initial Stay of Proceedings in favour of the Applicants and the Non-Applicant Stay Parties until and including February 9, 2026 (the "**Stay Period**");

(d) granted the Administration Charge and the Directors' Charge; and

(e) relieved Ayurcann Parent from any obligation to incur further expenses in relation to its Securities Filings.

9. Copies of the Initial Order and the accompanying endorsement of the Honourable Justice Kimmel dated January 30, 2026 are attached hereto as **Exhibit "C"** and **Exhibit "D"**, respectively.

10. On February 3, 2026, the Applicants filed a motion record seeking an Amended and Restated Initial Order (the "**ARIO**") which, if granted will, among other things:

(a) extend the Stay Period until and including February 27, 2026;

(b) increase the quantum of (i) the Administration Charge to a maximum amount of $800,000, and (ii) the Directors' Charge to a maximum amount of $3,020,000;

(c) approve a key employee retention plan (the "**KERP**") and grant a related super-priority charge up to the maximum amount of $66,250 (the "**KERP Charge**"); and

(d) preserve the *status quo* of the Regulatory Licences.

II. UPDATE SINCE THE SECOND SUDMAN AFFIDAVIT

11. As previewed in the Second Sudman Affidavit, following the service of the Applicants' motion record on February 3, 2026, the Applicants and Auxly continued negotiations to finalize

the terms of the DIP Facility and the Stalking Horse Purchase Agreement. After diligent and concerted efforts by both parties, and with the assistance of the Monitor, the Applicants and Auxly finalized these agreements on February 8, 2026.

12. As reflected in the Revised Cash Flow Forecast (as defined below), notwithstanding the availability of the proposed DIP Facility, the Applicants will have a limited time period to administer the Sale Process before exhausting their available liquidity. To ensure the Company has sufficient cash flow to operate the business during the CCAA Proceedings, the Applicants and the Monitor will need to initiate the Sale Process immediately following the approval of the Sale Process Approval Order (if granted).

13. This timing is necessary to maintain the current bid procedure milestones contemplated in the Sale Process, including the forty-six (46) day period from commencement of the Sale Process to the Bid Deadline.

III. PROPOSED INTERIM FINANCING

14. On February 8, 2026, Ayurcann, as borrower, Ayurcann Parent, as guarantor, and Auxly (in such capacity, the "**DIP Lender**"), as lender, entered into a Debtor-in-Possession Facility Commitment Letter (the "**DIP Agreement**"), subject to approval of the Court. The proposed DIP Facility consists of a non-revolving loan up to the maximum principal amount of $2,000,000, accruing interest at a rate of 12% per annum.

15. Pursuant to the DIP Agreement, the DIP Facility is to be used during the CCAA Proceedings to fund the following costs, fees and expenses:

(a) the Applicants' working capital and restructuring expenses, each in accordance with the Cash Flow Projections (as defined in the DIP Agreement);

(b) the reasonable and documented professional fees and disbursements associated with the CCAA Proceedings (including, without limitation, the legal fees and expenses of the Applicants, the Monitor and the Monitor's counsel);

(c) the payment of interest, fees and other amounts payable under the DIP Agreement; and

(d) such other costs and expenses as agreed to by the DIP Lender, in writing.

16. The DIP Agreement contemplates a commitment fee in the amount of $40,000 (representing 2% of the maximum principal amount of the DIP Facility). The commitment fee will be added to the principal amount outstanding and will be payable on the DIP Termination Date (as defined below).

17. Unless accelerated by an event of default, the amounts outstanding under the DIP Facility shall be due and payable, in full, on the earliest of the following dates: (i) the closing of a transaction pursuant to which all, or substantially all, of the assets or shares of Ayurcann are acquired; (ii) the effective date under any plan of compromise or arrangement within the CCAA Proceedings; (iii) unless otherwise consented to by the DIP Lender, May 15, 2026; (iv) the termination, expiration or conversion of the CCAA Proceedings; and (v) payment in full of all amounts owing under the DIP Facility (the later of such dates, the "DIP **Termination Date**").

18. Advances made under the DIP Facility are proposed to be secured by a super-priority charge in favour of the DIP Lender (the "**DIP Lender's Charge**"), if approved, which will rank

subordinate to the Administration Charge but in priority to all other encumbrances. I am advised by Jesse Mighton of Bennett Jones LLP that the DIP Agreement is subject to customary covenants, conditions precedent, and representations and warranties. A copy of the DIP Agreement is attached hereto as **Exhibit "E"**.

19. As reflected in the Revised Cash Flow Forecast, the Applicants will require interim financing during the CCAA Proceedings to satisfy working capital needs and maintain ordinary course operations while they conduct the Sale Process to pursue and implement a value-maximizing transaction for the benefit of their stakeholders. The proposed DIP Facility, if approved, is expected to provide the Applicants with sufficient liquidity to operate their business during the requested Stay Period. The Monitor, having been consulted throughout the negotiations relating to the DIP Facility, has advised that it supports the DIP Facility and considers it appropriate in the circumstances.

IV. STAY EXTENSION

1. Applicants

20. Pursuant to the Second ARIO, the Applicants are seeking a further extension of the Stay Period until and including April 30, 2026 (the "**Stay Extension**").

21. The proposed Stay Extension will provide the Applicants with the time required to conduct the Sale Process and return to Court to seek approval of the Successful Bid for the benefit of the Applicants and their stakeholders, while continuing to preserve the *status quo* required to continue operations and maintain business stability.

22. As set out in the Second Sudman Affidavit, since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize their business and continue operations in the ordinary course, develop the Sale Process, finalize the potential Stalking Horse Purchase Agreement and the DIP Agreement, develop the terms of the KERP in consultation with the Monitor, and with the assistance of the Monitor, deploy a communications plan notifying key stakeholders of the CCAA Proceedings.

23. In connection with the proposed Stay Extension, the Applicants, with the assistance of the Monitor, prepared a revised cash flow forecast (the "**Revised Cash Flow Forecast**") to determine their funding requirements throughout the proposed Stay Extension. I understand that a copy of the Revised Cash Flow Forecast will be attached to the Second Report of the Monitor, to be filed.

24. I further understand that the Monitor has reviewed the Revised Cash Flow Forecast and is of the view that the Applicants will, subject to the approval of the DIP Facility, have sufficient liquidity to maintain normal course operations through the proposed Stay Extension. Additionally, the Monitor has advised that it is supportive of the proposed Stay Extension and that it believes that such extension is reasonable in the circumstances.

25. Accordingly, I believe that the proposed Stay Extension is appropriate and in the best interest of the Applicants and their stakeholders. Further, I do not believe that any creditor will be materially prejudiced by the proposed Stay Extension.

2. Non-Applicant Stay Parties

26. I believe that it is in the best interests of the Applicants and their stakeholders that the Stay of Proceedings currently in place in favour of the Non-Applicant Stay Parties also be extended

through the proposed Stay Extension. As noted in the First Sudman Affidavit, each of the Non-Applicant Stay Parties is an integrated member of the Ayurcann corporate group.

27. As was the case for the Initial Order, any proceedings commenced against the Non-Applicant Stay Parties will act as a distraction to the Applicants' good faith restructuring objectives, and would severely strain the Applicants' limited financial and human resources and jeopardize the Company's restructuring efforts.

28. Furthermore, the Sale Process contemplates an opportunity to purchase all or substantially all of the Applicants' business, which includes the share interests of their affiliates, the Non-Applicant Stay Parties. Continuing to extend the Stay of Proceedings to the Non-Applicant Stay Parties will preserve the marketability of the business as a going concern during the Sale Process. Without this protection, potential claims or proceedings against the Non-Applicant Stay Parties could disrupt operations, diminish enterprise value, and undermine the Applicants' ability to conduct an effective sale of the integrated business.

29. I understand that the Monitor believes that the extension of the Stay of Proceedings in favour of the Non-Applicant Stay Parties continues to be appropriate in the circumstances.

V. SALE PROCESS APPROVAL ORDER

30. As discussed above, the Applicants intend to seek the proposed Sale Process Approval Order to pursue a value maximizing transaction for the benefit of their stakeholders. The proposed Sale Process Approval Order has two key aspects: (i) it authorizes and approves the execution of the Stalking Horse Purchase Agreement; and (ii) it approves the procedures for the Sale Process in which the Stalking Horse Purchase Agreement will serve as the Stalking Horse Bid.

A. Stalking Horse Purchase Agreement[2]

31. The Stalking Horse Purchase Agreement between the Applicants and the Stalking Horse Bidder will, if approved, serve as the basis for the Stalking Horse Bid in the Sale Process.

32. The Stalking Horse Bid is the product of significant negotiations among the Stalking Horse Bidder (an arm's length party) and the Applicants, in consultation with the Monitor. If selected as the Successful Bid, the Stalking Horse Bid would provide a going-concern solution for the Company – protecting valuable customer, landlord and supplier relationships, while also preserving the employment and/or contractual arrangements with substantially all of the Applicants' current employees and contractors. A copy of the Stalking Horse Purchase Agreement is attached hereto as **Exhibit "F"**.

33. Pursuant to the Stalking Horse Purchase Agreement, if selected as the Successful Bid in the Sale Process, the Stalking Horse Bid is intended to be implemented as a reverse vesting transaction, given the highly regulated nature of the Applicants' business, pursuant to which the Stalking Horse Bidder will subscribe for and acquire 100% of the issued and outstanding shares of Ayurcann pursuant to an order of the Court (the "**Vesting Order**"). In the event the Stalking Horse Bid is the Successful Bid in the Sale Process, the Vesting Order will, among other things:

(a) approve the transaction contemplated by the Stalking Horse Purchase Agreement;

(b) vest out of Ayurcann the Excluded Assets, Excluded Contracts and Excluded Liabilities, which will vest in a new subsidiary of Ayurcann Parent, to be incorporated (or, alternatively, Ayurcann Holding Corp.);

[2] All capitalized terms in this section not otherwise defined have the meaning ascribed to them in the Stalking Horse Purchase Agreement.

(c) authorize and direct Ayurcann to file Articles of Reorganization;

(d) terminate and cancel all issued and outstanding equity interests in Ayurcann (including all agreements, plans and documents governing or giving rise to such equity interests) for no consideration; and

(e) vesting the Purchased Shares (i.e., newly issued common shares of Ayurcann comprising 100% of all its outstanding equity interests) to the Stalking Horse Bidder, free and clear from any Encumbrances and claims, except for Permitted Encumbrances specified under the Stalking Horse Purchase Agreement.

34. The Stalking Horse Purchase Agreement contemplates a purchase price of $4,640,000 (the "**Purchase Price**") for the Purchased Shares, which is comprised of: (i) the full satisfaction of the DIP Facility on closing pursuant to a credit bid; and (ii) an additional cash payment for the balance of the Purchase Price.

35. The salient terms of the Stalking Horse Purchase Agreement include, among other things:

Term	Details
1.1 Stalking Horse Bidder	Auxly
1.1 Issuer	Ayurcann
1.1 Purchased Shares	The common shares in the capital of Ayurcann issued from treasury to the Stalking Horse Bidder, which following issuance will constitute 100% of the issued and outstanding equity interests of Ayurcann.
1.1 Retained Liabilities	The Stalking Horse Bidder shall assume the following liabilities: (a) all liabilities under the Retained Contracts, to be listed in Schedule "H" to the Stalking Horse Purchase Agreement,

	from and after the Closing Time, including any Cure Costs identified in Schedule "D" to the Stalking Horse Purchase Agreement; (b) the employer liabilities of any Retained Employees from and after the Closing Time, including in connection with wages, benefits, statutory obligations and amounts secured by the Directors' Charge; (c) any liabilities required by Applicable Law to maintain the retained Permits and Licences; (d) all trade payables and other liabilities relating to the Business incurred in the ordinary course after the Filing Date, but prior to the Closing Date, that remain outstanding at the Closing Time (provided that prior to the Closing Time, all such payables are paid in accordance with the approved Cash Flow); and (e) Taxes for any period, or portion thereof, beginning on or after the Filing Date, provided that the Stalking Horse Bidder will not assume more than one month of accrued excise tax liabilities.
3.2 Purchase Price	The Purchase Price is $4,640,000, which is comprised of: (i) a credit bid in an amount equal to the balance outstanding under the DIP Facility; (ii) a cash payment equal to the balance of the purchase price. The Purchase Price does not contemplate any adjustments. The Purchase Price will be satisfied by: (i) a credit bid of the outstanding obligations under the DIP Facility; and (ii) a cash payment of the Purchase Price Cash Amount.
4.3 As is, Where is	The Stalking Horse Purchase Agreement contemplates an "as is, where is" transaction.
6.1 The Stalking Horse Bidder's Conditions	The Stalking Horse Bidder's closing conditions include, among others: (a) Court Approval. The Sale Process Approval Order and the Vesting Order shall have been issued by the Court, and shall not have been vacated, set aside or stayed. The applicable appeal periods shall have expired. (b) Successful Bid. The Stalking Horse Bid is deemed the Successful Bid (in accordance with the Sale Process).

	(c) Licences. As of the Closing Time, no suspension, revocation, cancellation, non-compliance notice, administrative monetary penalty, licence amendment adverse to the Business, inspection deficiency, enforcement action or other proceeding by Health Canada or the Canada Revenue Agency (CRA) shall have been issued, made, threatened or be pending in respect of the Business, the Permits and the Licences (including the Critical Permits and Licences) or the Health Canada Licenses, and all such licences, permits and authorizations shall be valid, subsisting and in good standing. (d) Releases. The Court shall have issued an order granting full and final releases in favour of the Directors and Officers, as applicable, for any and all liabilities incurred in their capacity as directors and officers of the Applicants other than any Liabilities arising from such Directors' or Officers' gross negligence or wilful misconduct. (e) Consulting Agreements. On or before the Closing Date, the Consulting Agreements shall have been executed and delivered by the Stalking Horse Bidder to all individuals comprising the Key Management. (f) Transition Access Agreements. On or before the Closing Date, the Transition Access Agreements will be executed and delivered by the Parties. (g) Health Canada. Health Canada shall not have objected to the completion of the transaction and the Stalking Horse Bidder shall have no indication that the Health Canada Licenses will not remain in full force and effect following the completion of the transaction.
6.2 The Applicants' Conditions	The Applicants' closing conditions include, among others: (a) Court Approval. The Sale Process Approval Order and the Vesting Order shall have been issued by the Court, and shall not have been vacated, set aside or stayed. The applicable appeal periods shall have expired. (b) Successful Bid. The Stalking Horse Bid is deemed the Successful Bid (in accordance with the Sale Process).
7.7 Grounds for Termination	The Stalking Horse Purchase Agreement will automatically terminate upon the occurrence of any of the following:

	(a) by mutual agreement of the Applicants and the Stalking Horse Bidder (with written notice to the Monitor); (b) the Stalking Horse Bid is not selected as the Successful Bid or the Back-Up Bid; or (c) if the Stalking Horse Bid is deemed to be the Back-Up Bid and the transaction contemplated by the Successful Bid closes. The Stalking Horse Purchase Agreement may be terminated upon the occurrence of any of the following: (a) by either party upon written notice, if a condition set out in Article 6 has not been satisfied or performed on or prior to the dates specified therein (as applicable); or (b) by any Party, if Closing has not occurred by the Termination Date (provided that the terminating party has not breached its obligations under the Stalking Horse Purchase Agreement in such a manner as to cause a closing condition not to be fulfilled).

36. Pursuant to the Stalking Horse Purchase Agreement, the Stalking Horse Bidder must complete the schedules thereto by no later than four weeks after the Sale Process is approved. Once the schedules are completed, a revised copy of the Stalking Horse Purchase Agreement will be uploaded to the VDR (as defined below).

37. If the Stalking Horse Bid is not selected as the Successful Bid in the Sale Process, the Stalking Horse Purchase Agreement provides that the Stalking Horse Bidder will be entitled to the payment of certain bid protections. The Bid Protections are comprised of (i) a break fee in the amount of $139,200 (the "**Break Fee**"), and (ii) an expense reimbursement for all actual documented legal and other costs incurred by the Stalking Horse Bidder in connection with negotiating, preparing and executing the Stalking Horse Purchase Agreement, up to the maximum amount of $125,000 (together with the Break Fee, the "**Bid Protections**"). The maximum amount of the Bid Protections is equal to approximately 5.7% of the Purchase Price.

38. The Bid Protections are proposed to be secured by the Bid Protections Charge over the Property in favour of the Stalking Horse Bidder in the aggregate maximum amount of $264,200, ranking subordinate to the Administration Charge, the DIP Lender's Charge (if approved), the Directors' Charge and the KERP Charge, but in priority to all other encumbrances. The Bid Protections are an integral term of the Stalking Horse Purchase Agreement, without which the Stalking Horse Bidder has advised that it would not have agreed to act as the stalking horse bidder in the Sale Process.

39. At this time, approval of the Stalking Horse Purchase Agreement is being sought solely for the purpose of approving it as the Stalking Horse Bid in the Sale Process. To the extent that the Stalking Horse Bid is the Successful Bid, the Applicants will seek approval of the transaction contemplated thereunder at a future motion.

40. The Purchase Price and the transaction structure contemplated under the Stalking Horse Purchase Agreement are expected to encourage the submission of competitive bids and thereby maximize value for the Applicants and their stakeholders. I believe that the Purchase Price is fair and reasonable, and that the Stalking Horse Purchase Agreement will serve as an appropriate backstop and valuable threshold for bids in the proposed Sale Process.

41. I further believe that the Stalking Horse Bid will benefit the Applicants' stakeholders, including their customers, suppliers, and creditors (including the CRA), by providing greater certainty of a going-concern outcome for the business.

B. The Sale Process[3]

1. Overview

42. The proposed Sale Process allows for the Applicants and the Monitor to solicit interest in, and opportunities for, a sale of, all or part the Company's assets and business operations on a going-concern basis. The Sale Process is a single phased process designed to provide an opportunity to obtain the best offer for the Company to maximize value for the Applicants' many stakeholders. A copy of the Sale Process is appended at Schedule "A" to the proposed Sale Process Approval Order.

43. The Sale Process contemplates that the sale of the Applicants' business or assets will be conducted on an "as is, where is" basis. In the event that a Successful Bid is selected in accordance with the Sale Process and approved by the Court, the acquisition of any assets will be free and clear of the Applicants' rights, title, and interests in such assets, as well as any third-party claims or interests, pursuant to one or more approval and vesting orders.

44. The Sale Process sets out, among other things, the manner in which binding Qualified Bids (as defined below) will be solicited from interested parties and how a Successful Bid will be selected. The Sale Process contains the following milestones:

Date	Milestone
February 13, 2026, or as soon as practicable following the issuance of the Sale Process Approval Order	Commencement of the Sale Process

[3] Capitalized terms used but not otherwise defined herein have the meanings ascribed in the Sale Process.

March 31, 2026 at 5:00 p.m. (Eastern Time)	Bid Deadline
1. If no Qualified Bids are received other than the Stalking Horse Bid	
Bid Deadline	Selection of the Stalking Horse Bid as the Successful Bid
April 13, 2026, or the earliest date available thereafter (subject to Court availability)	Approval and Vesting Order Motion
As soon as possible following issuance of the Approval and Vesting Order but no later than May 1, 2026	Closing of the Stalking Horse Bid
2. If Qualified Bids are selected other than the Stalking Horse Bid	
April 6, 2026	Monitor to provide the Lead Bid(s) to the Stalking Horse Bidder and each Qualified Bidder
April 10, 2026	Auction, if needed
April 10, 2026, or such later date immediately thereafter if the Auction is not completed in one day	Selection of the Successful Bid and Back-Up Bid, if applicable
April 24, 2026, or the earliest date available thereafter (subject to Court availability)	Approval and Vesting Order Motion
As soon as possible but no later than May 15, 2026	Closing of the Successful Bid

45. To the extent the Monitor believes it would be beneficial to the administration of the Sale Process, the dates or timeframes indicated in the table above may be extended or modified by the Monitor, in consultation with the Applicants and in accordance with the Sale Process and the DIP Agreement.

46. The Sale Process was prepared in consultation with the Monitor. The Monitor has advised that it supports the proposed Sale Process and agrees that interested parties will have sufficient time to formulate and submit Qualified Bids. In this regard, due diligence undertaken in connection with negotiation of the Stalking Horse Purchase Agreement has allowed the Monitor to populate the VDR in preparation for facilitating the due diligence requests of other potentially interested parties in the Sale Process.

2. Notification Process

47. As soon as reasonably practicable following the issuance of the Sale Process Approval Order, the Monitor and the Applicants will prepare a list of potential bidders who may be interested in participating in the Sale Process and a teaser letter (the "**Teaser Letter**") (i) describing the Applicants' business, property and assets (collectively, the "**Business**"), (ii) providing an overview of the Bidding Procedures, and (iii) inviting recipients to express their interest in participating in the Sale Process. The Monitor will also cause a notice of the Sale Process to be published on the Monitor's Website and in one or more cannabis industry and/or insolvency-related publications.

48. The Applicants, in consultation with the Monitor, will also prepare a non-disclosure agreement (the "**NDA**"). The Monitor will disseminate the Teaser Letter and the NDA to potentially interested parties identified by the Applicants and the Monitor as potential bidders or any other interested party who contacts the Applicants or the Monitor expressing an interest to participate in the Sale Process.

49. The Applicants and the Monitor will make available a confidential virtual data room (the "**VDR**") to all Potential Bidders who have executed NDAs to assist with due diligence efforts.

3. Qualified Bidder(s) and Qualified Bid(s)

50. The Sale Process provides that each potential bidder must deliver a duly executed and binding bid to the Applicants and the Monitor by 5:00 p.m. (Eastern Time) on March 31, 2026 (the "**Bid Deadline**"). In order to be a "**Qualified Bid**" and considered by the Applicants and the Monitor, a bid must satisfy all of the Bid Requirements set out in section 19 of the Bidding Procedures of the Sale Process, including, among other things, the following:

(a) must be superior to the Stalking Horse Bid and provide for aggregate consideration, payable in cash in full on closing in an amount equal to or greater than: (i) the Purchase Price under the Stalking Horse Bid (i.e., $4,640,000); (ii) the amount of $264,200 to satisfy the Bid Protections; and (iii) a minimum overbid amount of $100,000 (collectively, the "**Consideration Value**");

(b) provides a detailed schedule that identifies the Consideration Value and any material excluded liabilities;

(c) contains duly executed and binding transaction document(s) and the required cash deposit equal to 10% of the Consideration Value, which deposit shall be held by the Monitor in a trust account in accordance with the Sale Process;

(d) includes a letter stating that the bid is submitted in good faith, binding and irrevocable until the closing of a Successful Bid, and provides that the bid will serve as a Back-Up Bid (as defined below) if it is not selected as the Successful Bid;

(e) provides written evidence of the Potential Bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction

documents, including binding equity/debt commitment letters and/or guarantees covering the full Consideration Value;

(f) provides details surrounding the Potential Bidder's intended treatment of the Applicants' employees;

(g) includes an acknowledgement that the Potential Bidder is making its bid on an "as is, where is" basis, which is not conditional upon (i) approval from the Potential Bidder's board of directors (or comparable governing body) or equityholder(s), (ii) the outcome of any due diligence by the Potential Bidder, or (iii) the Potential Bidder obtaining financing; and

(h) specifies any regulatory (including Health Canada) or other third-party approvals the Potential Bidder anticipates would be required to complete the transaction (including the anticipated timing necessary to obtain such approvals).

51. At any time during the Sale Process, the Monitor, in consultation with the Applicants, may waive strict compliance with one or more of the Bid Requirements.

52. When evaluating bids, the Applicants and the Monitor, will consider bids for the Applicants' entire business and separate bids to acquire some but not all of the Applicants' assets ("**Aggregate Bids**"), provided that they will only consider Aggregate Bids if a combination of one or more Aggregate Bids meet the requirements to be a Qualified Bid. This additional flexibility will allow the Applicants to pursue the best transaction(s) available in the circumstances with the intent to maximize value for their stakeholders.

53. In order to protect the integrity of the Sale Process, the bidding procedures contemplate the ability for a direct or indirect shareholder, director, officer or senior management of the Applicants (each, an "**Insider**"), to submit a bid pursuant to the Sale Process. An Insider who intends to participate in the Sale Process must advise the Monitor of such intention in writing by no later than 5:00 p.m. (Eastern Time) on March 21, 2026. Such Insider shall be entitled to participate in the Sale Process, but for greater certainty, will not be provided with any confidential information or bid information in respect of the Sale Process (including information relating to any bids submitted therein).

4. Selection of Successful Bid and Approval Order

54. If no Qualified Bids (other than the Stalking Horse Bid) are received by the Monitor by the Bid Deadline, then the Stalking Horse Bid will be deemed the Successful Bid and will be executed in accordance with and subject to the terms of the Stalking Horse Purchase Agreement and the Sale Process Approval Order.

55. However, if one or more Qualified Bids (other than the Stalking Horse Bid) are received by the Monitor on or before the Bid Deadline:

(a) the Monitor, in consultation with the Applicants, shall review the Qualified Bids to determine which Qualified Bid is the best offer, and determine which Qualified Bid shall be designated as the "**Lead Bid**" (which determination may be made in consideration of, among other things, (i) the amount and nature of the consideration; (ii) the proposed assumption of liabilities, if any, and the related implied impact on recoveries for creditors; (iii) the ability of the applicable Qualified Bidder to close the proposed transaction; (iv) the proposed closing date

and the likelihood, extent and impact of any potential delays in closing; (v) any purchase price adjustments; (vi) the net economic effect of any changes made to the Stalking Horse Bid; and (vii) such other considerations as the Monitor, in consultation with the Applicants, deems relevant in its reasonable business judgment);

(b) each Qualified Bidder participating at the Auction shall be required to confirm at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the Bidding Process; and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid;

(c) the Monitor shall advise all Qualified Bidders of the Lead Bid and invite them to participate in the Auction in accordance with the Auction Procedures (which are set out at Schedule "B" to the Sale Process);

(d) any bid made at the Auction by a Qualified Bidder subsequent to the Monitor's announcement of the Lead Bid (or the announcement of the opening bid for each subsequent round), must proceed in minimum additional cash increments of $100,000; and

(e) if only one Qualified Bid is submitted after a round of offers then that Qualified Bid shall be the Successful Bid. The next highest offer, as determined by the Applicants and the Monitor (the "**Back-Up Bid**"), shall be required to keep its offer open and available for acceptance until the closing of the Court-approved transaction with the Successful Bidder.

56. Each bid made at the Auction must comply with the Bid Requirements. The implementation of any Qualified Bid (including, for certainty, the Stalking Horse Purchase Agreement if it is selected as the Successful Bid) will be subject to the approval of the Court.

57. The Monitor has advised that the Sale Process timelines and procedures are appropriate in the circumstances and will provide sufficient opportunity to solicit interest for the sale of the Applicants' assets or the reorganization of the business. The Applicants believe that the Sale Process will provide an efficient, fair and equitable process for canvassing the market for potential buyers of the Applicants' assets and is appropriate in the circumstances.

VI. CONCLUSION

58. As described in my prior affidavits, the purpose of the Applicants' restructuring proceedings has been to effect a value maximizing going-concern transaction through a Court-supervised sale process. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize their business, apprise their stakeholders of the CCAA Proceedings, and finalize the Stalking Horse Purchase Agreement, the DIP Agreement and the proposed Sale Process, all with the assistance and oversight of the Monitor.

59. The Applicants have maintained their ordinary course operations and will continue to do so with the oversight and assistance of the Monitor. I understand that the Monitor is supportive of the relief described herein and the Monitor does not believe that any stakeholders will be materially prejudiced by the granting of the Second ARIO and Sale Process Approval Order.

60. I swear this affidavit in support of the Applicants' motion for the Second ARIO and the Sale Process Approval Order and for no other or improper purpose.

SWORN REMOTELY by Igal Sudman stated as being located in the City of Vaughan in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on February 8, 2026, remotely via videoconference in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

JAMIE ERNST
A Commissioner for Taking Affidavits in and for the Province of Ontario

Signed by:
Igal Sudman
28ACA44216F7480...

IGAL SUDMAN

THIS IS **EXHIBIT "D"** REFERRED TO IN THE AFFIDAVIT
OF IGAL SUDMAN, SWORN BEFORE ME
THIS 28TH DAY OF MAY, 2026.

SHAWN KIRKMAN
A Commissioner for taking Affidavits
(or as may be)

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Applicants

AFFIDAVIT OF IGAL SUDMAN
(Sworn April 21, 2026)

TABLE OF CONTENTS

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Applicants

AFFIDAVIT OF IGAL SUDMAN
(Sworn April 21, 2026)

I, Igal Sudman, of the City of Pickering, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am the Co-Founder and Chief Executive Officer of Ayurcann Holdings Corp. ("**Ayurcann Parent**"), which wholly-owns Ayurcann Inc. ("**Ayurcann**" and together with Ayurcann Parent, the "**Applicants**" or the "**Company**"). Since the Company's formation in 2018, I have been actively involved in managing the Applicants' business operations and overseeing the Company's strategic direction and growth. As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and believe them to be true.

2. This affidavit should be read in conjunction with my affidavits sworn on January 29, 2026 (the "**First Sudman Affidavit**"), February 3, 2026 (the "**Second Sudman Affidavit**") and February 8, 2026 (the "**Third Sudman Affidavit**"), in support of the Applicants' application for the Initial Order dated January 30, 2026 (the "**Initial Order**") and their motions for the Amended and Restated Initial Order dated February 9, 2026 (the "**ARIO**") and the Sale Process Approval

Order (as defined below), respectively. All capitalized terms not otherwise defined herein have the meaning ascribed to them in the First Sudman Affidavit, the Third Sudman Affidavit or the Purchase Agreement (as defined below), as applicable. Copies of the First Sudman Affidavit, the Second Sudman Affidavit and the Third Sudman Affidavit (each without exhibits) are attached hereto as **Exhibit "A"** – **Exhibit "C"**, respectively.

3. I swear this affidavit in support of a motion by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and the proceedings related thereto, the "**CCAA Proceedings**") for an order (the "**Approval and Vesting Order**"), among other things:

(a) approving the agreement of purchase and sale between the Applicants and Emblem Cannabis Corporation ("**Emblem**" and together with its assignee, if any, under the Purchase Agreement, the "**Purchaser**") dated March 31, 2026 (the "**Purchase Agreement**"), *nunc pro tunc*, with such minor amendments as the Applicants and the Purchaser may deem necessary, with the consent of the Monitor, and authorizing the Applicants and the Monitor to take such steps and actions necessary to complete the transactions contemplated in the Purchase Agreement (the "**Transactions**");

(b) approving, as the Back-Up Bid, the Agreement of Purchase and Sale between the Applicants and Auxly Cannabis Group Inc. ("**Auxly**") dated February 8, 2026 (the "**Stalking Horse Purchase Agreement**" and together with the Purchase Agreement, the "**Purchase Agreements**") and the transactions contemplated therein (the "**Back-Up Transactions**"), and authorizing and directing the Applicants to take such additional steps and execute such additional documents as necessary or desirable for the completion of the Back-Up Transactions, only to the extent that the Purchase Agreement and the Transactions do not close before the Outside Date (as defined in the Sale Process Approval Order);

(c) approving the addition of Ayurcann Holding Corp. ("**Residual Co.**") as an Applicant in the CCAA Proceedings and vesting all Excluded Assets, Excluded Contracts, and Excluded Liabilities into Residual Co.;

(d) vesting the Purchased Shares (as defined below) in the Purchaser and confirming that Ayurcann retains the Retained Assets and the Retained Contracts, each free and clear from any Encumbrances;

(e) upon completion of the Transactions:

(i) removing Ayurcann as an Applicant in the CCAA Proceedings;

(ii) approving the partial distribution of sale proceeds to Auxly (the "**Auxly Distribution**"), as full and final satisfaction of the DIP Indebtedness and the Bid Protections (each as defined below), and immediately thereafter, terminating, releasing and discharging: (A) the Bid Protections Charge; and (B) the DIP Lender's Charge as against Residual Co., Ayurcann Parent and their property; and

(iii) granting certain releases in favour of the Released Parties (as defined below) and terminating, releasing and discharging the Directors' Charge as of the Closing Time;

(f) sealing an unredacted copy of Schedule "I" to the Purchase Agreement until further order of the Court;

(g) authorizing the Monitor, upon service of the Monitor's Certificate (as defined below), to exercise expanded powers in respect of Residual Co., including managing its property, operations and affairs (collectively, the "**Monitor's Enhanced Powers**"), and providing certain protections to the Monitor in connection therewith; and

(h) extending the Stay Period (as defined below) to and including June 30, 2026 (the "**Stay Extension**").

4. Nothing in this affidavit is intended to waive any privilege of any kind including, without limitation, any privilege attaching to any communications between any of the Applicants and their legal counsel, other professional advisors or otherwise. All references to currency in this affidavit are in Canadian dollars.

I. INTRODUCTION AND BACKGROUND[1]

A. Background to the CCAA Proceedings

5. Through its operating subsidiary (Ayurcann), the Company is a licenced cannabis producer and manufacturer which specializes in the formulation, packaging, distribution, and product development of high-quality cannabis products in the Canadian recreational market. Ayurcann Parent is a reporting issuer in the provinces of Ontario, British Columbia and Alberta with its shares listed on the Canadian Securities Exchange and Frankfurt Stock Exchange.

6. The Company develops its own cannabis brands with a strong focus on high-growth processed and derivative products such as vapes, pre-rolls and extracts, and operates from a leased, licenced cannabis facility in Pickering, Ontario (the "**Pickering Facility**").

7. Despite historically strong revenues and stable cash flow prior to these CCAA Proceedings, the Company had accumulated material excise tax arrears, which resulted in the unilateral imposition of a payment plan by the Canada Revenue Agency. The Applicants lacked sufficient liquidity to comply with the payment plan and, once it came into effect, could no longer fund their operations in the ordinary course.

[1] The facts underlying the Applicants' financial circumstances and need for CCAA protection are set out in the First Sudman Affidavit and are not repeated exhaustively herein.

8. As a result, on January 30, 2026 (the "**Filing Date**"), the Applicants sought and obtained creditor protection under the CCAA pursuant to the Initial Order, which, among other things:

(a) appointed Alvarez & Marsal Canada Inc. ("**A&M**") as the Monitor;

(b) granted a stay of proceedings (the "**Stay of Proceedings**") in favour of the Applicants and the Non-Applicant Stay Parties until and including February 9, 2026 (the "**Stay Period**"); and

(c) granted the Administration Charge and the Directors' Charge.

9. On February 9, 2026, the Applicants were granted the ARIO, which, among other things: (i) extended the Stay Period until and including February 27, 2026; (ii) approved a key employee retention plan (the "**KERP**") and granted a related super-priority charge; and (iii) preserved the *status quo* of Ayurcann's regulatory licences.

10. To advance their restructuring objectives and begin canvassing the market for one or more prospective purchasers of the Applicants' business and/or assets, the Applicants sought and obtained the following relief on February 13, 2026:

(a) an order (the "**Sale Process Approval Order**"), which, among other things:

(i) approved a sale process (the "**Sale Process**") for the Applicants' business, in which the Stalking Horse Purchase Agreement served as the "**Stalking Horse Bid**", and authorized the Applicants and the Monitor to implement the Sale Process pursuant to its terms; and

(ii) approved a break fee and certain expense reimbursements (together, the "**Bid Protections**")[2] in favour of Auxly (in such capacity, the "**Stalking Horse Bidder**") and granted the related Bid Protections Charge; and

(b) a Second Amended and Restated Initial order (the "**Second ARIO**"), which, among other things:

(i) approved Ayurcann's ability to borrow up to a principal amount of $2,000,000 under a debtor-in-possession credit facility (the "**DIP Facility**") to finance the Company's critically required working capital requirements and other general corporate purposes, post-filing and professional expenses, and costs;

(ii) granted a related priority charge in favour of Auxly (in such capacity, the "**DIP Lender**" and the related charge, the "**DIP Lender's Charge**") up to a maximum amount of $2,000,000, plus accrued and unpaid interest, fees and expenses, with the priority set out in the Second ARIO (i.e., ranking subordinate to the Administration Charge but in priority to all other encumbrances); and

(iii) extended the Stay of Proceedings to and until April 30, 2026.

11. Copies of the Second ARIO, the Sale Process Approval Order, and the accompanying endorsement of the Honourable Justice Kimmel dated February 17, 2026 are attached hereto as **Exhibit "D"** – **Exhibit "F"**, respectively.

[2] The Bid Protections, in the aggregate, total a maximum amount of $264,200.

B. Conduct and Result of the Sale Process[3]

1. Solicitation Efforts & Participation in the Sale Process

12. As set out in the Third Sudman Affidavit, the Stalking Horse Bid was the product of a competitive pre-filing process and significant negotiations among the Applicants (led by me and Roman Buzaker ("**Mr. Buzaker**")) and the Stalking Horse Bidder, in consultation with the Monitor.

13. The Sale Process was purposefully designed to provide an efficient, flexible and equitable process for canvassing the market with a view of maximizing opportunities for the sale of all, or part of, the Applicants' assets and/or business (the "**Opportunity**") on superior economic terms than presented in the Stalking Horse Bid. The material terms of the Sale Process are set out in the Third Sudman Affidavit and are not repeated herein. I also understand that the Monitor will provide further details on the conduct and results of the Sale Process in the Third Report of the Monitor (the "**Third Report**"), to be filed.

14. As part of the Monitor's and Applicants' marketing and solicitation efforts, the following initial steps were completed in accordance with the timelines contained in the Sale Process:

(a) the Monitor, with the assistance of the Applicants: (i) prepared a list of approximately 82 potential bidders, including domestic and international third parties with experience in the cannabis industry and parties known to be active investors in the cannabis industry (collectively, the "**Known Potential Bidders**"), who may have been interested in the Opportunity; and (ii) prepared and

[3] All capitalized terms not otherwise defined in this section have the meanings ascribed to them in the Sale Process.

disseminated a teaser letter, confidential information memorandum, and other marketing materials describing the Opportunity and the bidding procedures to the Known Potential Bidders;

(b) the Monitor posted a notice of the Sale Process (the "**Notice**") on the Monitor's Website on February 18, 2026. The Notice was also published in Insolvency Insider, an insolvency-related publication, on February 23, 2026; and

(c) the Applicants, with the assistance of the Monitor, prepared a non-disclosure agreement (an "**NDA**") to be executed by any interested third party wishing to participate in the Sale Process.

15. Shortly after the Sale Process Approval Order was granted, the Monitor, with the assistance of the Applicants, canvassed the market broadly, including by contacting all Known Potential Bidders. Ultimately, 10 parties executed an NDA (collectively, the "**Interested Parties**") and actively participated in the Sale Process.

16. All Interested Parties who executed NDAs were provided access to a virtual data room prepared by the Monitor, which contained various due diligence materials and other information related to the Company. The Monitor and the Applicants, in accordance with the Sale Process, made themselves available to Interested Parties to assist with their review of the Opportunity and respond to requests for additional due diligence materials. I, along with Mr. Buzaker and other members of the Applicants' management team, responded to a number of due diligence requests from the Interested Parties and participated in various due diligence and management meetings with various Interested Parties.

17. During this time, the Applicants and the Stalking Horse Bidder also remained engaged in ongoing due diligence to populate certain schedules to the Stalking Horse Bid. This process involved several in-person and virtual meetings and responding to a number of due diligence requests from the Stalking Horse Bidder. Information disclosed through this process was made available to other Interested Parties through the virtual data room. The populated schedules to the Stalking Horse Bid were completed and disclosed to Interested Parties through the virtual data room on March 13, 2026.

18. Each Interested Party that wished to make a bid in the Sale Process was required to deliver a written copy of its bid to the Monitor and the Applicants by no later than the bid deadline (March 31, 2026) (the "**Bid Deadline**"). To constitute a Qualified Bid, a bid (other than the Stalking Horse Bid) had to satisfy the requirements prescribed under the Sale Process. For example, each bid had to include aggregate consideration, payable in cash in full on closing, equal to or greater than: (i) the Stalking Horse Bid's purchase price of $4,640,000; (ii) the amount of $264,200 to satisfy the Bid Protections; and (iii) a minimum overbid increment of $100,000.[4]

19. On March 18, 2026, the Monitor disseminated a process letter to all Interested Parties setting out the Bid Deadline and the Qualified Bid requirements.

20. Despite preliminary interest from, and active due diligence performed by, the Interested Parties, the Applicants and the Monitor received only one bid (other than the Stalking Horse Bid) by the Bid Deadline. No other party advised the Applicants or the Monitor that a bid would be forthcoming if the Bid Deadline was to be extended.

[4] To maximize flexibility and encourage broad participation, potential bidders were permitted under the Sale Process to submit a variety of bids, including: (i) bids for all of the Applicants' assets; or (ii) separate "en-bloc" bids to acquire some but not all of the Applicants' assets.

2. Selection of the Successful Bid

21. Following the Bid Deadline, the Monitor and the Applicants reviewed the bid submitted by Emblem ("**Emblem's Bid**"), being the only bid received in the Sales Process (other than the Stalking Horse Bid) and, after receiving additional clarifying information and minor revisions and enhancements to the form of agreement submitted, determined that it constituted a Qualified Bid in accordance with the Sale Process.

22. Emblem's Bid provides for a purchase price of $5,004,200 – generating $100,000 in additional value for the Applicants' creditors over the Stalking Horse Bid (net of the Bid Protections amount). As discussed in greater detail below, apart from the increased purchase price, Emblem's Bid was substantially the same as the Stalking Horse Bid.

23. On April 6, 2026, in accordance with the Sale Process, the Monitor advised both the Stalking Horse Bidder and Emblem that: (i) multiple Qualified Bids (inclusive of the Stalking Horse Bid) were submitted as part of the Sale Process; (ii) an auction would take place on April 10, 2026; and (iii) Emblem's Bid would act as the Lead Bid for the first round of the Auction. The Stalking Horse Bidder was also provided a copy of Emblem's Bid on April 6, 2026.

24. In accordance with the Sale Process, Emblem and the Stalking Horse Bidder were required to confirm by April 9, 2026 (the "**Auction Confirmation Deadline**") whether they intended to participate in the Auction. Prior to the Auction Confirmation Deadline, the Stalking Horse Bidder advised that it would not be participating in the Auction. Given that Emblem was the only Qualified Bidder willing to participate, the Auction was cancelled and Emblem's Bid was declared the Successful Bid and the Stalking Horse Bid was declared the Back-Up Bid.

25. On April 10, 2026, the Monitor advised the Service List in the CCAA Proceedings (the "**Service List**") that Emblem's Bid was selected as the Successful Bid. I understand from the Monitor that a notice of Emblem's selection as the Successful Bidder was also posted on the Monitor's Website.

C. Agreement of Purchase and Sale

26. As the Sale Process has concluded, the Applicants now seek approval of the Purchase Agreement pursuant to the proposed Approval and Vesting Order.

27. The Purchase Agreement contemplates that, following the cancellation of all of Ayurcann's outstanding shares and securities, the Purchaser will acquire 100% of the newly issued shares of Ayurcann (the "**Purchased Shares**"). The Purchaser will acquire the Purchased Shares on an "as is, where is" basis for a purchase price of $5,004,200 (the "**Purchase Price**"). A portion of the Purchase Price will be used to repay the DIP Indebtedness outstanding as of the Closing Date, and up to $264,200 of the Purchase Price will be used to repay the Bid Protections. Since the Purchase Price is greater than the DIP Indebtedness and the Bid Protections, it is expected that there will be sufficient sale proceeds to facilitate distributions to the Applicants' unsecured creditors.

28. The Purchase Agreement has completed schedules that identify the assets, liabilities, intellectual property, and employees that will continue as part of the ongoing business following the closing of the Transactions (subject to any minor amendments the Purchaser may require prior to Closing, in accordance with the terms of the Purchase Agreement). The schedules attached to the Purchase Agreement are identical to the final schedules of the Stalking Horse Bid. Notably, both Purchase Agreements contemplate the continued employment of the majority of Ayurcann's current employees.

29. As will be discussed in greater detail below, the Transactions are structured as reverse vesting transactions, pursuant to which the Excluded Assets, Excluded Liabilities and Excluded Contracts will be transferred and vested in Residual Co. prior to the Purchaser acquiring the Purchased Shares. All claims and Encumbrances against Ayurcann, the Purchased Shares, the Retained Assets and the Retained Contracts will be discharged and released and vested in Residual Co., pursuant to the proposed Approval and Vesting Order.

30. Besides the increase to the Purchase Price and the removal of the credit bid and Bid Protections mechanics, the terms of the Purchase Agreement are materially the same as the Stalking Horse Bid. The principal terms of the Purchase Agreement are summarized below:

Term	Details
1.1 Purchaser	Emblem Cannabis Company or its designated assignee in accordance with the Purchase Agreement
1.1 Issuer	Ayurcann Inc.
1.1 Purchased Shares	The common shares in the capital of Ayurcann issued from treasury to the Purchaser, which following issuance will constitute 100% of the issued and outstanding equity interests of Ayurcann.
1.1 Retained Liabilities	The Purchaser shall assume the following liabilities: (a) all liabilities under the Retained Contracts from and after the Closing Time, including any Cure Costs identified in Schedule "D" to the Purchase Agreement; (b) the employer liabilities of any Retained Employees from and after the Closing Time, including in connection with wages, benefits and statutory obligations (including vacation pay accruals); (c) any liabilities required by Applicable Law to maintain the retained Permits and Licences in good standing (but only to the extent such liabilities arise and are payable after the Closing Time, subject to (e) below); (d) all trade payables and other liabilities relating to the Business incurred in the ordinary course after the Filing Date, but prior to

	the Closing Date, that remain outstanding at the Closing Time (provided that prior to the Closing Time, all such payables are paid in accordance with the approved Cash Flow); and (e) Taxes in respect of the ongoing conduct of business and operations conducted by Ayurcann for any period, or portion thereof, beginning on or after the Filing Date, provided that the Purchaser will not assume more than one month of accrued excise tax liabilities.
1.1 Cure Costs	The Purchaser is required to cure any monetary defaults under the Retained Contracts, which are set out in Schedule "D" to the Purchase Agreement. The Monitor has confirmed that there are no outstanding Cure Costs in respect of the Retained Contracts.
3.2 Purchase Price	The Purchase Price is $5,004,200,[5] which will be satisfied by a cash payment on Closing.
4.3 As is, Where is	The Purchase Agreement contemplates an "as is, where is" transaction.
6.1 The Purchaser's Conditions	The Purchaser's closing conditions include, among others: (a) Court Approval. The Approval and Vesting Order, in a form satisfactory to the Applicants, the Purchaser and the Monitor, each acting reasonably, shall have been issued by the Court, and shall not have been vacated, set aside or stayed. The applicable appeal periods shall have expired. (b) Actions by Health Canada or Canada Revenue Agency. As of the Closing Time, no suspension, revocation, cancellation, non-compliance notice, administrative monetary penalty, licence amendment adverse to the Business, inspection deficiency, enforcement action or other proceeding by Health Canada or the Canada Revenue Agency shall have been issued, made, threatened or be pending in respect of the Business, the Permits and the Licences (including the Critical Permits and Licences) or the Health Canada Licenses, and all such licences, permits and authorizations shall be valid, subsisting and in good standing. (c) Releases. The Court shall have issued an order granting full and final releases in favour of the Directors and Officers, as applicable, for any and all liabilities incurred in their capacity as directors and officers of the Applicants other than any Liabilities arising from such Directors' or Officers' gross negligence or wilful misconduct. (d) Critical Permits and Licences. The Critical Permits and Licences are in good standing and not suspended or terminated.

[5] Notably, $264,200 of the Purchase Price will be used to satisfy the Bid Protections.

	(e) Consulting Agreements. On or before the Closing Date, the Consulting Agreements shall have been executed and delivered by the Purchaser to all individuals comprising the Key Management. (f) Consents and Approvals. All consents and Approvals shall have been obtained, in form and substance satisfactory to the Purchaser.
6.2 The Applicants' Conditions	The Applicants' closing conditions include, among others: (a) Court Approval. The Approval and Vesting Order shall have been issued by the Court, and shall not have been vacated, set aside or stayed. The applicable appeal periods shall have expired.
7.7 Grounds for Termination	The Purchase Agreement will automatically terminate upon mutual agreement of the Applicants and the Purchaser (with written notice to the Monitor). The Purchase Agreement may be terminated upon the occurrence of any of the following: (a) by either party upon written notice, if a condition set out in Article 6 has not been satisfied or performed on or prior to the dates specified therein (as applicable); or (b) by any party, if Closing has not occurred by the Termination Date (provided that the terminating party has not breached its obligations under the Purchase Agreement in such a manner as to cause a closing condition not to be fulfilled).

31. A copy of the Purchase Agreement, with Schedule "I" (containing personal employee information) redacted, is attached hereto as **Exhibit "G"**.

32. Since the selection of the Purchase Agreement as the Successful Bid, the Applicants, together with the Monitor, have engaged in extensive discussions with Emblem to begin the process of planning and executing an efficient and effective transition of the business. These efforts have included a series of in-person and virtual meetings and extensive email correspondence

between various members of the respective management teams, as well as correspondence with various regulatory authorities regarding transition matters.

II. APPROVAL AND VESTING ORDER

A. Approval of the Purchase Agreement

33. The Purchase Agreement is the product of an extensive Sale Process and, once consummated, will allow Ayurcann's business to continue as a going concern with a strengthened balance sheet and additional capital from new ownership. I understand from discussions with the Monitor and the Applicants' counsel that the Purchase Agreement provided the greatest consideration obtained in the Sale Process and represents the best possible outcome for Ayurcann and its stakeholders in the circumstances.

34. Among other benefits, the Transactions will result in the preservation of: (i) the employment of approximately forty (40) employees; (ii) valuable customer and supplier relationships; (iii) Ayurcann's proprietary brands; and (iv) Ayurcann's regulatory cannabis licences and governmental contracts. As mentioned above, the Transactions are anticipated to generate sufficient proceeds to facilitate distributions to unsecured creditors.

35. I understand from the Purchaser that Emblem is a licenced producer and has extensive experience in the Canadian medical cannabis industry.[6] Together with its publicly traded, ultimate-parent company, Red White and Bloom Brands Inc.,[7] I believe the Purchaser has the requisite

[6] The Purchaser is an independent third-party and not related to the Applicants.
[7] Red White & Bloom Brands Inc. is an owner and operator of premium brands in the United States legal cannabis sector, the Canadian cannabis market and certain international jurisdictions.

experience and expertise required to successfully integrate Ayurcann into its business and to maintain its operations as a going concern.

36. I believe that the Sale Process constituted a fair and thorough canvassing of the market, and that the Purchase Agreement represents a fair value for Ayurcann's business and the best possible outcome in the circumstances. I understand that the Monitor and the DIP Lender are also supportive of the Transactions.

B. The Reverse Vesting Structure

37. The Purchase Agreement provides that the Transactions are conditional upon the granting of the Approval and Vesting Order. The proposed Approval and Vesting Order contemplates a reverse vesting structure for the Transactions, including the transfer of certain liabilities and assets to Residual Co. The reverse vesting structure will allow the Purchaser to acquire the Purchased Shares and for Ayurcann to retain the Retained Assets and Retained Contracts, free and clear of any Encumbrances.[8]

38. As discussed in greater detail in the First Sudman Affidavit, the Applicants' business is subject to onerous cannabis-related regulations and requires certain licences to operate. Specifically, Ayurcann holds: (i) a licence with Health Canada that permits it to undertake standard processing activities; (ii) a licence with the Canada Revenue Agency requiring it to apply cannabis excise stamps to its cannabis products in accordance with the *Excise Act, 2001*, S.C. 2002, c. 22; and (iii) an excise duty licence with the Canada Revenue Agency authorizing Ayurcann to use bulk-alcohol, non-duty paid package alcohol and/or a restricted formulation, on a duty-free basis

[8] All claims and Encumbrances that will be vested in Residual Co. will attach to the sale proceeds with the same priority they had prior to the Transactions.

(collectively, the "**Licences**"). Notably, Ayurcann would be unable to lawfully continue its operations at the Pickering Facility without the Licences.

39. The primary purpose of the Transactions' reverse vesting structure is to preserve the Licences by facilitating an efficient operational transfer of Ayurcann's business. In a traditional asset sale, the Licences would need to be re-issued to the new owner, which would increase the costs and risks associated with closing.

40. In addition, the reverse vesting structure will allow the Purchaser to keep in place material contracts with Ayurcann post-Closing, including valuable supply agreements and permits with governmental entities, such as the Alberta Gaming, Liquor and Cannabis Commission, the Yukon Liquor Corporation, the Saskatchewan Liquor Gaming Authority, the Province of British Columbia and the Ontario Cannabis Retail Corporation. Similar to the regulatory licenses, these agreements and permits are critical to the ongoing operations of Ayurcann's business. I believe that any transfer of these permits and governmental contracts to a third party would likely cause significant delays (and, in some cases, require additional regulatory approvals), resulting in likely closing risks and additional expenses.

41. Given the Applicants' significant liquidity constraints and limited availability under the DIP Facility, any further delay in closing the Transactions will cause material prejudice to the Applicants and their stakeholders, including by reducing the sale proceeds available for distribution as a result of additional borrowings that would be required to fund operations and ongoing professional fees. Further, I do not believe that completing the Transactions under a reverse vesting structure will result in any material prejudice to, or impairment of, Ayurcann's creditors' rights that they would otherwise have under an asset sale transaction.

42. With respect to the Retained Contracts, although no assignment of contracts (consensual or through an assignment order) is contemplated, the Purchase Agreement nevertheless requires that the cure costs relating to any Retained Contract, as identified on Schedule "D" to the Purchase Agreement, be paid by the Purchaser on or prior to Closing. I understand from the Monitor that there are no outstanding cure costs in respect of any Retained Contract.

43. In this case, I believe the market has been thoroughly canvassed. The Monitor has confirmed that the proposed Transactions represent the best going-concern option for the Applicants and will generate greater value than a liquidation or bankruptcy. Among other benefits, the Transactions result in the continued employment for the majority of the Applicants' employees (which would not happen in a bankruptcy or liquidation), preserves relationships with the Applicants' suppliers and customers, and will enable the Applicants to facilitate distributions to their unsecured creditors (including the Canada Revenue Agency).

44. Further, I understand from the Purchaser that the preservation of the existing Licences and Permits, and the seamless continuation of the Retained Contracts, are essential components of the Transactions for the Purchaser. I also understand that the Stalking Horse Bidder would similarly only proceed with the Back-Up Transactions under a reverse vesting structure. The reverse vesting structure is therefore the only alternative available by which the value of the business can be maximized, and the Applicants can avoid liquidation. Notably, the Applicants did not receive any traditional asset bids as part of the Sale Process.

45. I understand that the Monitor and the DIP Lender support the proposed Approval and Vesting Order, including the proposed reverse vesting transaction structure, and believe it is appropriate in the circumstances. The proposed Approval and Vesting Order also incorporates

feedback from certain stakeholders, including the Canada Revenue Agency and Auxly (in its capacities as DIP Lender and Stalking Horse Bidder).

C. Approval of the Back-Up Subscription Agreement

46. For the same reasons set out above, I believe that this Court should approve the Stalking Horse Purchase Agreement and the Back-Up Transactions, as the Back-Up Bid, in accordance with the Sale Process, with such approval only to become effective to the extent that the Purchase Agreement and the Transactions do not close (subject to the Outside Date of May 15, 2026).

47. The terms of the Stalking Horse Purchase Agreement were summarized in the Third Sudman Affidavit and are not repeated exhaustively herein. As an overview, the Stalking Horse Purchase Agreement has a purchase price of $4,640,000 (which, for greater certainty, does not include any amounts allocated to the Bid Protections). Otherwise, the Stalking Horse Purchase Agreement is, in material part, the same as the Purchase Agreement – containing substantially identical schedules, transaction structure and closing conditions. Like the Purchase Agreement, the Stalking Horse Purchase Agreement would allow Ayurcann to continue its business operations as a going concern and would provide for the ongoing employment of the vast majority of the Applicants' employees.

48. A copy of the Stalking Horse Purchase Agreement and a redline between the Purchase Agreement and the Stalking Horse Purchase Agreement are attached hereto as **Exhibit "H"** and **Exhibit "I"**, respectively.

49. Given the similarities between the Purchase Agreement and the Stalking Horse Purchase Agreement, I believe it is in the best interest of the Applicants and their stakeholders to seek

approval of the Back-Up Transactions at this time. Among other benefits, approving the Stalking Horse Purchase Agreement and the Back-Up Transactions will provide greater certainty to the Applicants' stakeholders that a going-concern transaction will be consummated in the near term and will avoid further delay. Approving the Back-Up Transactions will also eliminate the incurrence of additional professional costs and judicial resources associated with a second motion should the Purchase Agreement not close. The "Back-Up Bid" concept was also explicitly contemplated in the Court-approved Sale Process.

50. The only material difference between the Purchase Agreements is the higher purchase price. If the Transactions do not close, the Stalking Horse Purchase Agreement represents the next best offer received in the Sale Process and, as confirmed by the Monitor, would generate greater value for the Applicants' stakeholders than a bankruptcy or liquidation.

51. I understand from Jesse Mighton of Bennett Jones LLP that counsel to Auxly has acknowledged that the Stalking Horse Bid is required to be the Back-Up Bid pursuant to the Sale Process and is prepared to close the Back-Up Transactions if the Transactions do not close in accordance with the Sale Process for any reason; however, such requirement remains subject to the Outside Date established in the Sale Process of May 15, 2026 (following which, the Stalking Horse Bidder may not be obligated to complete the Back-Up Bid).

52. I also understand that the Monitor is supportive of approving the Stalking Horse Purchase Agreement and the Back-Up Transactions at this time.

D. Partial Distribution of Sale Proceeds

53. The proposed Approval and Vesting Order authorizes and directs the Monitor to make the following distributions to Auxly, in its capacities as DIP Lender and the Stalking Horse Bidder, from the Transactions' sale proceeds (the "**Sale Proceeds**"):

(a) a cash distribution equal to all amounts owing by Ayurcann to Auxly under the DIP Facility up to the Closing Date, inclusive of principal, interest and fees (the "**DIP Indebtedness**"), as full and final repayment of all obligations owing by the Applicants under the DIP Facility; and

(b) a cash distribution of up to $264,200, as full and final satisfaction of the Bid Protections (as approved in the Sale Process Approval Order).

54. The DIP Indebtedness and the Bid Protections are both secured by Court-ordered super-priority charges, which will attach to the Sale Proceeds as part of the Transactions. The Monitor has confirmed, and as is reflected in the Revised Cash Flow Forecast (as defined below), the Applicants will have sufficient liquidity following the closing of the Transactions to satisfy all anticipated obligations secured by the other Charges in the CCAA Proceedings that may become due (including the Administration Charge).

55. Further, the repayment of the DIP Indebtedness on Closing will prevent the accrual of additional interest under the DIP Facility, preserving value in the estate for future distributions to creditors. The Bid Protections were also approved pursuant to the Sale Process Approval Order and were a material condition and a key factor in securing the execution of the Stalking Horse

Purchase Agreement. As such, I believe the repayment of the Bid Protections and the DIP Indebtedness is appropriate in the circumstances.

56. Pursuant to the proposed Approval and Vesting Order, immediately upon the Auxly Distributions being completed in full, the Bid Protections Charge and the DIP Lender's Charge will be forever and irrevocably terminated, released and discharged.

57. I understand that the Monitor supports the proposed Auxly Distributions and does not believe that any stakeholder will be materially prejudiced by the Auxly Distributions.

E. Releases

58. The Applicants seek approval of certain releases in favour of the Released Parties effective upon the Closing Time (the "**Releases**"). The "**Released Parties**" include, among others, the Applicants' current and former directors and officers, legal counsel of the Applicants and Residual Co., the Monitor and its legal counsel, the Purchaser and its legal counsel, and the DIP Lender and its legal counsel.

59. The Releases release and discharge the Released Parties from all present and future liabilities and claims arising in connection with or relating to:

(a) any transactions, offers, omissions, dealings, or other facts, matters, occurrences or things existing or taking place prior to the Closing Time;

(b) the Purchase Agreement and the consummation of the Transactions (or the Stalking Horse Purchase Agreement and the Back-Up Transactions, as the case may be);

(c) the Auxly Distributions; and

(d) any document, agreement, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing (collectively, the "**Released Claims**").

60. The Released Claims do not include any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to subsections 5.1(2) or 19(2) of the CCAA. Additionally, the proposed Releases do not apply to any claim or liability against the Directors and/or the Officers that is an insured claim under the applicable directors' and officers' insurance policy (each an "**Insured Claim**"). Rather, the proposed Approval and Vesting order permits any person to continue an action or other proceeding to determine any liability in respect of an Insured Claim; however, any entitlement to recovery will be solely limited to the proceeds under the Insured Claim (to the extent available). Pursuant to the proposed Approval and Vesting Order, and concurrently with the Releases becoming effective, the Directors' Charge will terminate and be forever released and discharged at the Closing Time.

61. The Applicants believe that the Releases sought are appropriate in the circumstances, contain reasonable carve-outs for Insured Claims and are in the best interests of the Applicants and their stakeholders. The Released Parties have made significant contributions to the CCAA Proceedings and are critical in effecting the proposed going concern sale that will see the business of the Applicants continue following the termination of the CCAA Proceedings.

62. In particular, the Directors and Officers of the Applicants provided important direction leading up to and throughout the filing and administration of the CCAA Proceedings, including by:

(a) as set out in the Monitor's Second Report dated February 11, 2026, identifying a small group of parties interested in providing interim financing and acting as a stalking horse bid in the Sale Process, which included Auxly, and assisting the Monitor in negotiating with these parties to optimize the terms of the DIP Facility and the Stalking Horse Bid;

(b) facilitating the Stalking Horse Bidder's conduct of due diligence, which both assisted the Monitor in populating the virtual data room for the benefit of the Sale Process, and resulted in the finalization of the schedules to the Stalking Horse Bid, which are substantively identical to those in the Purchase Agreement;

(c) assisting with the Sale Process, including using their personal industry connections to solicit interest in the Opportunity, preparing marketing materials and due diligence information, and making themselves available to meet with Interested Parties to support their due diligence efforts;

(d) with the assistance of the Monitor, preparing cash flow forecasts and variance reporting in accordance with the requirements under the DIP Facility;

(e) assisting with the preparation of the initial CCAA application and each of the subsequent motions; and

(f) maintaining key supplier, employee and customer relationships and managing day-to-day operations of the Company throughout the CCAA Proceedings, including overseeing the maintenance of the Licences, thereby preserving the value of Ayurcann's business during the Sale Process.

63. Given the relatively short period between seeking approval of the Transactions and the Outside Date of May 15, 2026, the ongoing involvement of the Directors and Officers will be essential to facilitate the orderly transition of Ayurcann's business (including in connection with seeking the requisite regulatory approvals from Health Canada and other governmental entities). The granting of the proposed Releases is also a condition precedent of the Purchaser under the Purchase Agreement.

64. The Applicants' intention to seek releases for their Directors and Officers as part of any proposed transaction in the CCAA Proceedings was initially disclosed in the First Sudman Affidavit,[9] and was previewed in the Stalking Horse Purchase Agreement. I am advised by Mr. Mighton that the Applicants have not received any indication of opposition to the inclusion of the Releases from any stakeholder. Additionally, the Directors and Officers did not receive any payments under the KERP, as they wanted to ensure that the Company's limited liquidity was allocated to key employees in the interests of preserving the value of the Applicants' business for the benefit of stakeholders.

65. The other Released Parties were essential to the restructuring of the Applicants, including as follows:

(a) the Monitor was instrumental in conducting the Sale Process, negotiating the Purchase Agreement and overseeing the Applicants' operations during the duration of the CCAA Proceedings, ensuring that value was being maximized for the benefit of the Applicants' stakeholders;

[9] See paragraph 102 of the First Sudman Affidavit.

(b) the DIP Lender advanced interim financing which provided the Applicants the breathing room necessary to conduct the Sale Process and operate the business in the ordinary course. Auxly also acted as the Stalking Horse Bidder, providing considerable value to the Sale Process both by ensuring that the Sale Process was competitive and maximized value, and by undertaking extensive due diligence that directly benefited the completion of Emblem's Purchase Agreement; and

(c) the Purchaser's offer to acquire Ayurcann's business ensures a going-concern outcome for the Company and its employees, customers, suppliers and other stakeholders and has generated sufficient value to effectuate unsecured distributions.

66. The professionals benefiting from the Releases provided advice and direction to the Company in connection with each of the above and were critical to achieving a going-concern outcome.

67. I believe the Releases are reasonable, not overly broad in the circumstances, and bear a rational connection to the Applicants' restructuring. The proposed Releases benefit not just the Released Parties, but the Applicants and their stakeholders, as they will allow the Released Parties to focus on the closing of the Transactions while avoiding the costs and distraction of unnecessary litigation.

68. I understand that the Monitor believes that the Releases are fair and reasonable in the circumstances and is supportive of the relief.

F. Sealing Relief

69. As noted above, the Applicants are seeking the sealing of Schedule "I" to the Purchase Agreement pending further order of this Court. Schedule "I" includes a list of the Retained Employees (the "**Retained Employee List**") and therefore contains information that is both commercially sensitive and personal to the Retained Employees.

70. On balance, I believe the benefits of the proposed sealing relief, which are to protect the general commercial interest of maintaining the confidentiality of sensitive information, far outweigh the potential harm in the circumstances. In my view, any disclosure of the Retained Employee List prior to Closing would likely cause discord among the Applicants' employees given the relatively modest size of the Company and the limited number of employees not included as Retained Employees. I believe that any disruption caused by the disclosure of the Retained Employee List would be an unnecessary and inefficient distraction while the Applicants and the Purchaser focus on closing the Transactions (if approved by the Court).

71. The Monitor supports the sealing request and agrees that it is proportionate and reasonable in the circumstances. I also understand that similar relief was previously granted in the CCAA Proceedings when the Applicants sought and obtained approval of the ARIO, which included sealing relief for the employees who received KERP payments.

72. The Applicants are also not aware of any prejudice to any stakeholder or other negative effects that would flow from the proposed sealing relief, and the proposed sealing relief is subject to a further Order of the Court, and is therefore properly limited. Accordingly, the Applicants submit that the sealing order is both appropriate and reasonable in the circumstances.

G. Monitor's Enhanced Powers

73. The Applicants seek to expand the current powers of the Monitor to, among other things, oversee Residual Co.'s activities. Residual Co. has no employees or material assets (other than what will be vested as part of the Transactions). Accordingly, Residual Co. requires the assistance of the Monitor to facilitate an orderly transition of the business and to conduct any remaining activities prior to the ultimate winddown of Residual Co.'s estate.

74. The proposed Monitor's Enhanced Powers will only become effective upon the service of a certificate by the Monitor upon the Service List, substantially in the form appended to the proposed Approval and Vesting Order as Schedule "A" (the "**Monitor's Certificate**"). The Monitor's Certificate will confirm that the Monitor has received confirmation from the Applicants and the Purchaser (or their advisors) that all closing conditions to the Transactions have been satisfied or waived.

75. The proposed Monitor's Enhanced Powers, if granted, will authorize and empower, but not obligate, the Monitor, upon the issuance of the Monitor's Certificate, to, among other things:

(a) take all actions, execute all agreements, documents and writings and exercise all rights on behalf of Residual Co. as necessary to facilitate the performance of its obligations under the Purchase Agreement and the Transactions contemplated thereby (or the Stalking Horse Purchase Agreement or the Back-Up Transactions, as the case may be), or any Order of the Court;

(b) open one or more new accounts in the name of the Monitor for and on behalf of Residual Co.;

(c) communicate and settle with any creditor or other stakeholder of Residual Co.;

(d) cause Residual Co. to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist with the winding-down of Residual Co., including any distributions of property; and

(e) take any steps, enter into any agreements, execute any documents, incur any obligations or take any other action necessary, useful or incidental to the exercise of any of the aforesaid powers.

76. The proposed Monitor's Enhanced Powers are currently limited to Residual Co. and do not expand to Ayurcann Parent – as Ayurcann Parent will remain involved with any future claims process and any subsequent distribution motion (as the Monitor will require the assistance of Ayurcann Parent's directors to quantify, validate and resolve any submitted claims).

77. The proposed Approval and Vesting Order provides that the Monitor shall continue to have the rights, protections and priorities afforded to the Monitor by the CCAA and the Second ARIO and that the Monitor and each of its employees, agents, legal counsel and other advisors, as applicable, shall not be liable for any act on the part of the Monitor in carrying out the provisions of the Approval and Vesting Order, save and except for acts that amount to gross negligence or wilful misconduct.

78. As the Monitor in the CCAA Proceedings, A&M has a high degree of familiarity with the Company and its business operations. The proposed Monitor's Enhanced Powers are well-defined and limited in scope. I understand from Joshua Nevsky, Managing Director at A&M, that the Monitor has the capacity and resources to assist in overseeing Residual Co.'s activities and

transitional matters related to the eventual winding down of Residual Co. and conclusion of the CCAA Proceedings.

79. The Monitor's Enhanced Powers provide an orderly and cost-efficient mechanism for Residual Co. to complete its remaining duties in the CCAA Proceedings. Should the Monitor's Enhanced Powers not be granted, there would be no ability for Residual Co. to attend to certain transitional matters. As such, I believe that the granting of the Monitor's Enhanced Powers is in the best interests of the Applicants and their stakeholders.

80. I understand that the Monitor is supportive of the proposed Monitor's Enhanced Powers.

H. Stay Extension

81. The Stay Period is set to expire on April 30, 2026. Pursuant to the proposed Approval and Vesting Order, the Applicants are seeking to extend the Stay Period until June 30, 2026.

82. The Applicants have acted in good faith and with due diligence throughout these CCAA Proceedings. More specifically, since the granting of the Second ARIO, the Applicants have:

(a) continued to liaise with the Monitor, the DIP Lender, and various stakeholders, while continuing to operate the Applicants' business in these CCAA Proceedings;

(b) with the assistance of the Monitor, prepared weekly reporting to the DIP Lender pursuant to the terms of the DIP Facility and prepared the Revised Cash Flow Forecast;

(c) administered the Sale Process with the Monitor, which included assisting Interested Parties with their due diligence, administering facility tours, and reviewing Emblem's Bid to determine whether it satisfied the Qualified Bid requirements;

(d) drafted closing documents and advanced various closing workstreams to facilitate the orderly and timely closing of the Transactions (if approved);

(e) engaged in ongoing coordination meetings with Emblem aimed at ensuring an orderly and efficient transition of the business, should the Transactions be approved; and

(f) prepared the within motion materials.

83. It is both necessary and in the best interests of the Applicants and their stakeholders that the Stay Period be extended. The additional breathing room provided by the Stay Extension will enable the Applicants to close the Transactions (or Back-Up Transactions) and determine appropriate next steps in the CCAA Proceedings, which may include a process for the determination of claims against the Applicants in anticipation of an eventual distribution to unsecured creditors.

84. The Applicants, with the assistance of the Monitor, have prepared a revised cash flow forecast to determine their funding requirements during the proposed Stay Extension (the "**Revised Cash Flow Forecast**"). I understand that a copy of the Revised Cash Flow Forecast will be attached to the Third Report and will demonstrate that the Applicants, subject to the closing of the Transactions, are forecasted to have sufficient liquidity to fund their obligations and the costs of these CCAA Proceedings through the end of the extended Stay Period.

85. I understand that the Monitor and the DIP Lender each support the proposed Stay Extension, and that the Monitor does not believe that any stakeholder will be materially prejudiced by the granting of the extension of the Stay Period.

III. CONCLUSION

86. As described in my prior affidavits, the purpose of the Applicants' restructuring proceedings has been to effect a value maximizing going-concern transaction through a Court-supervised sale process. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize their business, apprise their stakeholders of the CCAA Proceedings, administer the Sale Process and finalize the Purchase Agreement, all with the assistance and oversight of the Monitor. Approval of the Transactions, and the related relief, is the next logical step in the CCAA Proceedings.

87. I understand that the Monitor is supportive of the relief described herein and the Monitor does not believe that any stakeholder will be materially prejudiced by the granting of the Approval and Vesting Order.

88. I swear this affidavit in support of the Applicants' motion for the Approval and Vesting Order and for no other or improper purpose.

SWORN REMOTELY by Igal Sudman stated as being located in the City of Vaughan, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on April 21, 2026, remotely via videoconference in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:
Igal Sudman
26ACA44216F7480...

IGAL SUDMAN

JAMIE ERNST
A Commissioner for Taking Affidavits in and for the Province of Ontario

THIS IS **EXHIBIT "E"** REFERRED TO IN THE AFFIDAVIT
OF IGAL SUDMAN, SWORN BEFORE ME
THIS 28TH DAY OF MAY, 2026.

SHAWN KIRKMAN
A Commissioner for taking Affidavits
(or as may be)

Court File No. CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	TUESDAY, THE 28TH DAY
	)	
JUSTICE KIMMEL	)	OF APRIL, 2026

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC. (collectively the "**Applicants**" and each an "**Applicant**")

ORDER
(APPROVAL AND REVERSE VESTING ORDER)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things: (a) approving the agreement of purchase and sale dated March 31, 2026 (the "**Agreement**") entered into between Ayurcann Holdings Corp. ("**Holdings**"), Ayurcann Inc. ("**Ayurcann**") and Emblem Cannabis Corporation (or its assignee in accordance with the terms of the Agreement, the "**Purchaser**") and the transactions contemplated therein (the "**Transactions**"); (b) approving the agreement of purchase and sale dated February 8, 2026 between the Applicants and Auxly Cannabis Group Inc. ("**Auxly**") (the "**Back-Up Agreement**") and the transactions contemplated therein (the "**Back-Up Transactions**"), only to the extent that the Agreement and the Transactions contemplated by the Agreement do not close; (c) adding Ayurcann Holding Corp. ("**Residual Co.**") as an Applicant to these CCAA proceedings (the "**CCAA Proceedings**"); (d) transferring and vesting all of the right, title and interest of Ayurcann in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (each as defined in the Agreement) to and in Residual Co.; (e) authorizing and directing Ayurcann to issue the Purchased Shares (as defined in the Agreement) and vesting in and to the Purchaser all right, title and interest in and to the Purchased Shares, free and clear of any Claims and Encumbrances

(each as defined below); (f) terminating and cancelling all of the Equity Interests (as defined below) of Ayurcann other than the Purchased Shares for no consideration; (g) approving certain distributions to Auxly from the Sale Proceeds (as defined below); (h) granting certain releases in favour of the Released Parties (as defined below); and (i) granting certain ancillary relief, was heard this day by judicial videoconference via Zoom.

ON READING the Motion Record of the Applicants, including the affidavit of Igal Sudman sworn April 21, 2026 (the "**Sudman Affidavit**") and the Exhibits thereto, the Third Report of Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated April 24, 2026 (the "**Third Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel to the Purchaser, counsel to Auxly and counsel for those other parties appearing as indicated by the Participant Information Form, no one appearing for any other party, although duly served as appears from the lawyer's certificate of service of Jamie Ernst, as filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion was properly returnable on today's date and hereby dispenses with further service thereof.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Agreement, the Sudman Affidavit and the Second Amended and Restated Initial Order of this Court made on February 13, 2026 in these CCAA Proceedings (the "**SARIO**"), as applicable.

APPROVAL AND VESTING

3. **THIS COURT ORDERS** that the Agreement and the Transactions be and are hereby approved and that the execution of the Agreement by each of the Applicants is hereby authorized and approved, *nunc pro tunc*, with such minor amendments as the parties thereto may deem necessary with the approval of the Monitor. The Applicants are hereby authorized and directed to perform their obligations under the Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including the cancellation of all equity interests of Ayurcann issued and outstanding immediately

prior to the Closing Time (including any options, warrants, conversion or subscription rights and any other equity or equity-linked interests but excluding the Purchased Shares) (collectively, the "**Equity Interests**") and the issuance of the Purchased Shares to the Purchaser.

4. **THIS COURT ORDERS** that the Back-Up Agreement and the Back-Up Transactions, be and are hereby approved, with such minor amendments as the parties thereto may deem necessary with the approval of the Monitor. For certainty, such authorization and approval shall only be effective if the Transactions contemplated by the Agreement cannot be closed. The Applicants are, solely in those circumstances, authorized and directed to perform their obligations under the Back-Up Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Back-Up Transactions. If the Transactions do not close for any reason, all references herein to "Purchaser", "Agreement" and "Transactions" shall be automatically replaced with "Auxly", "Back-Up Agreement" and "Back-Up Transaction", respectively, and paragraphs 21-25 of this Order shall be deemed to be deleted in their entirety.

5. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Applicants to proceed with the Transactions, and that no shareholder, director or other approval shall be required in connection therewith.

6. **THIS COURT ORDERS** that at the time of the delivery of the Monitor's certificate substantially in the form attached as **Schedule "A"** hereto (the "**Monitor's Closing Certificate**") to the Applicants and the Purchaser (the "**Closing Time**") the following shall occur and shall be deemed to have occurred at the following times and in the following sequence:

(a) first, on the day prior to the Closing Date:

(i) in accordance with paragraph 18 hereof, Residual Co. shall be deemed to be a company to which the CCAA applies and shall be added to these CCAA Proceedings as an Applicant; and

(ii) the Purchaser shall pay the Purchase Price and an amount equal to the Cure Costs (if any) to the Monitor, in trust in accordance with section 3.3 of the Agreement;

(b) second, at 11:59 p.m. the day prior to the Closing Date:

(i) all of Ayurcann's right, title and interest in and to the Excluded Assets and Excluded Contracts shall transfer to and vest absolutely and exclusively in Residual Co., with all applicable Claims and Encumbrances continuing to attach to the Excluded Assets, in either case with the same nature and priority as they had immediately prior to the transfer; and

(ii) all Excluded Liabilities shall be channeled to, assumed by and vested absolutely and exclusively in Residual Co., such that the Excluded Liabilities shall become the obligations of Residual Co., and shall no longer be obligations of Ayurcann;

(c) third, at 12:05 a.m. on the Closing Date, all of Ayurcann's assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate, including property held in trust for Ayurcann, other than the Excluded Assets (collectively, the "**Retained Property**"), shall be and are hereby forever released and discharged from such Excluded Liabilities and all Claims and all Encumbrances affecting or relating to the Retained Property are hereby expunged and discharged as against the Retained Property;

(d) fourth, at 12:10 a.m. on the Closing Date, in consideration for the Purchase Price, Ayurcann shall issue the Purchased Shares to the Purchaser and all of the right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, and the Retained Property will be retained by Ayurcann, free and clear of and from any and all debts, liabilities, obligations, indebtedness, contracts, leases, agreements and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SARIO or any other Order of the Court in these CCAA Proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other

personal property registry systems (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances listed on **Schedule "B**" hereto);

(e) fifth, at 12:15 a.m. on the Closing Date, all Equity Interests of Ayurcann shall be deemed terminated and cancelled without consideration and the only equity interests of Ayurcann that shall remain shall be the Purchased Shares; and

(f) lastly, at 12:20 a.m. on the Closing Date, Ayurcann shall be deemed to cease being an Applicant in these CCAA Proceedings, and Ayurcann shall be deemed to be released from the purview of the SARIO and all other Orders of this Court in these CCAA Proceedings, save and except for this Order, the provisions of which (as they relate to Ayurcann) shall continue to apply in all respects.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court and serve on the Service List a copy of the Monitor's Closing Certificate, forthwith after the Closing Time.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Applicants and the Purchaser or their respective counsel regarding the satisfaction or waiver of the conditions to closing under the Agreement and shall have no liability with respect to the delivery and filing of the Monitor's Closing Certificate.

9. **THIS COURT ORDERS** that upon delivery of the Monitor's Closing Certificate, and upon filing of a copy of this Order together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction, including Health Canada, with respect to Ayurcann, the Retained Property or the Excluded Assets (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of a copy of the Monitor's Closing Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Agreement. Presentment of this Order and the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of interest against any of the Retained Property and the Monitor and the Purchaser are hereby specifically authorized to discharge any registrations against the Retained Property and the Excluded Assets, as applicable.

10. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims from and after the Closing Time, all Claims and Encumbrances transferred, assumed, released, expunged and discharged pursuant to paragraph 6 hereof, including against Ayurcann, the Retained Property and the Purchased Shares, shall attach to the net proceeds from the Transactions (the "**Sale Proceeds**") with the same nature and priority as they had immediately prior to the Transactions as if the Transactions had not occurred.

11. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Applicants or the Monitor, as the case may be, are authorized, permitted and directed to, at the Closing Time, disclose to the Purchaser, all human resources and payroll information in the Applicants' records pertaining to past and current employees of Ayurcann. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Applicants.

12. **THIS COURT ORDERS** that, at the Closing Time and without limiting the provisions of paragraph 6 hereof, the Purchaser, Ayurcann and the Monitor shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, Ayurcann including without limiting the generality of the foregoing, all Taxes for which they could otherwise have joint or several liability in connection with Ayurcann provided, as it relates to the Purchaser and Ayurcann, such release shall not apply to: (a) Taxes in respect of the business and operations conducted by Ayurcann after January 30, 2026 (the "**Filing Date**"); (b) Taxes expressly retained or assumed as Retained Liabilities pursuant to the Agreement; or (c) Taxes payable under paragraph 9 of the SARIO. For greater certainty, nothing in this paragraph shall release or discharge Residual Co. from any Claims with respect to Taxes that are transferred to and vested in Residual Co.

13. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Agreement (and, for greater certainty, excluding the Excluded Contracts and Excluded Liabilities), all Retained Contracts to which Ayurcann is a party at the time of delivery of the Monitor's Closing Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Closing Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party

to any such Retained Contract may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such Retained Contract and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the Closing Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of Ayurcann);

(b) the insolvency of Ayurcann or the fact that Ayurcann obtained relief under the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Agreement, the Transactions, the provisions of this Order or any other Order of this Court in these CCAA Proceedings; or

(d) any transfer or assignment, or any change of control of Ayurcann arising from the implementation of the Agreement, the Transactions or the provisions of this Order.

14. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 13 hereof shall waive, compromise or discharge any obligations of Ayurcann or the Purchaser in respect of any Retained Liabilities, (b) the designation of any Claim as a Retained Liability is without prejudice to any of Ayurcann's or the Purchaser's right to dispute the existence, validity or quantum of any such Retained Liability, and (c) nothing in this Order or the Agreement shall affect or waive Ayurcann's or the Purchaser's rights and defences, both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liability.

15. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of Ayurcann then existing or previously committed by Ayurcann, or caused by Ayurcann, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any contract or lease existing between such Person and Ayurcann (including for certainty, those contracts or leases constituting the Retained Property)

arising directly or indirectly from the filing by the Applicants under the CCAA and implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 13 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract or a lease shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse Ayurcann or the Purchaser from performing their obligations under the Agreement, or be a waiver of defaults by Ayurcann or the Purchaser under the Agreement and the related documents.

16. **THIS COURT ORDERS** that, from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against Ayurcann or the Purchaser relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities or any other claims, obligations or other matters that are waived, released, expunged or discharged pursuant to this Order.

17. **THIS COURT ORDERS** that from and after the Closing Time:

(a) the nature of the Retained Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount, priority and secured or unsecured status, shall not be affected or altered as a result of their transfer to Residual Co.;

(c) any Person that, prior to the Closing Time, had a valid right or claim against Ayurcann under or in respect of any Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have an Excluded Liability Claim against Ayurcann, but will have an equivalent Excluded Liability Claim against Residual Co. in respect of the Excluded Liability from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against Residual Co.; and

(d) any Person with an Excluded Liability Claim against Residual Co. following the Closing Time shall have the same rights, priority and entitlement as against Residual Co. as such Person with an Excluded Liability Claim had against Ayurcann prior to the Closing Time.

18. **THIS COURT ORDERS** that, as of the Closing Time:

(a) Residual Co. shall be a company to which the CCAA applies; and

(b) Residual Co. shall be added as an Applicant in these CCAA Proceedings and all references in any Order of this Court in respect of these proceedings to (i) an "Applicant" shall refer to and include Residual Co.; and (ii) "Property" shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of Residual Co. (collectively the "**Residual Co. Property**"), and, for greater certainty, each of the Charges, shall constitute a charge on the Residual Co. Property.

19. **THIS COURT ORDERS** that Ayurcann is hereby permitted to execute and file articles of amendment, amalgamation, continuance, or reorganization or such other documents or instruments as may be required to permit or enable and effect the Transactions, including without limitation the issuance of shares, and such articles, documents, or other instruments shall be deemed to be duly authorized, valid, and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Transactions.

PAYMENTS OUT OF PURCHASE PRICE

20. **THIS COURT ORDERS** that the Monitor shall receive and hold the Sale Proceeds in trust for Residual Co.

21. **THIS COURT ORDERS** that the Monitor is authorized and directed to make one or more cash distributions to Auxly from the Sale Proceeds in an aggregate amount equal to:

(a) all indebtedness owing by the Applicants under the DIP Facility, inclusive of all principal, interest and fees; and

(b) the Bid Protections (together, the "**Distributions**"),

payment of which shall constitute full and final satisfaction of all indebtedness owing by the Applicants to Auxly under the DIP Agreement, the Stalking Horse Purchase Agreement and the Sale Process Approval Order.

22. **THIS COURT ORDERS AND DIRECTS** that the Distributions shall be free and clear of and from any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) the Charges; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system in any province or territory in Canada.

23. **THIS COURT ORDERS** that the Monitor is hereby authorized to take all necessary steps and actions to effect the Distributions in accordance with the provisions of this Order, and shall not incur any liability as a result of making the Distributions, other than any liability arising as a direct result of the gross negligence or wilful misconduct of the Monitor.

24. **THIS COURT ORDERS** that upon the Monitor effecting the Distributions in full, the Bid Protections Charge and the DIP Lender's Charge against Residual Co., the Residual Co. Property, Holdings or any Property of Holdings shall be automatically terminated, released and discharged without the need for any further action.

25. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these CCAA Proceedings;

(b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 195, c. B-3, as amended (the "**BIA**"), in respect of Residual Co. or any of the Applicants and any bankruptcy order issued pursuant to any such application; and

(c) any assignment in bankruptcy made in respect of any of the Applicants or Residual Co.,

the Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to Residual Co., the issuance and vesting of the Purchased Shares in and to the Purchaser, any payment out of the Purchase Price authorized by this Order and any payments by or to the Purchaser, Ayurcann or the Monitor authorized herein, or pursuant to the Agreement) shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Applicants or Residual Co. and shall not be void or voidable by creditors of the Applicants or Residual Co., as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal, provincial or foreign legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

EXPANSION OF MONITOR'S POWERS

26. **THIS COURT ORDERS** that, upon the delivery of the Monitor's Closing Certificate pursuant to paragraph 6 hereof, in addition to the powers and duties of the Monitor set out in the SARIO or any other Order of this Court granted in these CCAA Proceedings, the Monitor be and is hereby authorized and empowered, but not required, to exercise any powers which may be properly exercised by the board of directors of Residual Co. including, without limitation, to:

(a) cause Residual Co. to take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of Residual Co. in order to facilitate the performance of any of their powers or obligations, including, without limitation, as contemplated to be taken or executed by Residual Co. pursuant to or in connection with the Agreement or the Transactions contemplated thereby (or as otherwise may be considered necessary or desirable in connection therewith) or any Order of this Court;

(b) cause Residual Co. to exercise any rights of the Applicants under or in connection with the Agreement or the Transactions;

(c) open one or more new accounts in the name of the Monitor for and on behalf of Residual Co. (the "**Residual Co. Accounts**"), into which all funds, monies, cheques, instruments and other forms of payment payable to Residual Co. may be deposited from and after the making of this Order from any source whatsoever and to operate and control, on behalf of Residual Co., the Residual Co. Accounts in such manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties;

(d) cause Residual Co. to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down of Residual Co., the distribution of the proceeds of the property of Residual Co., or any other related activities, including in connection with bringing these CCAA Proceedings to an end;

(e) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of Residual Co. (including any Governmental Authorities) in the name of or on behalf of Residual Co.;

(f) conduct, supervise and direct the continuation or commencement of any process or effort to recover any Property or other assets of Residual Co. (including any accounts receivable or cash);

(g) have access to all books and records that are the Property of or in the possession or control of Residual Co.;

(h) facilitate or assist Residual Co. with accounting, tax and financial reporting functions, in each case based solely upon the information provided to the Monitor and on the basis that the Monitor shall incur no liability or obligation to any person with respect to such reporting, remittances, statements and records;

(i) act as an authorized representative of Residual Co. in respect of dealings with Canada Revenue Agency ("**CRA**") or any other taxation authority, and the Monitor shall hereby be entitled to execute any appointment or authorization form on behalf of Residual Co. that CRA or any other taxation authority may require in order to

confirm the Monitor's appointment as an authorized representative for such purposes;

(j) claim or cause Residual Co. to claim any and all insurance refunds or tax refunds to which Residual Co. is entitled;

(k) cause the dissolution or winding-up of Residual Co. (and to the extent the Monitor so elects to dissolve or wind-up Residual Co. the stay under the SARIO is lifted to permit same);

(l) apply to this Court for advice and directions or any further orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court, including for advice and directions with respect to any matter; and

(m) take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

MONITOR PROTECTIONS

27. **THIS COURT ORDERS** that nothing in this Order, including the release of Ayurcann from the purview of these CCAA Proceedings pursuant to paragraph 6(g) hereof and the addition of Residual Co. as an Applicant in these CCAA Proceedings, shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in these CCAA Proceedings and A&M shall continue to have the benefit of any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the SARIO, any other Orders in these CCAA Proceedings or otherwise, including all approval, protections and stays of proceedings in favour of A&M in its capacity as Monitor, all of which are expressly continued and confirmed.

28. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except with leave of the Court following a motion brought on not less than 15 days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed

by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

29. **THIS COURT ORDERS** that the Monitor shall not as a result of this Order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the management of the Applicants or Residual Co. or to have taken or maintained possession or control of the business or property of any of the Applicants or Residual Co., or any part thereof; or (b) be deemed to be in Possession of any property of the Applicants or Residual Co. within the meaning of any applicable Environmental Legislation and Cannabis Legislation or otherwise.

30. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor, and each of its employees and representatives are not and shall not be or be deemed to be, a director, officer, employee, shareholder or partner of Residual Co. *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising as a direct result of the gross negligence or wilful misconduct of the Monitor.

31. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of Residual Co.

32. **THIS COURT ORDERS** that the Monitor shall not be, and nothing in this Order shall be deemed to cause the Monitor to be, liable for any employee-related liabilities of Residual Co., including wages, severance pay, termination pay, vacation pay and pension or benefit amounts.

33. **THIS COURT ORDERS** that: (a) in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the SARIO and any other Order of this Court (provided however that following the Closing Time, such charges and priorities shall not continue as against Ayurcann and the Retained Property) and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor in carrying out of the provisions of this Order and exercising any powers granted to it hereunder; and (b) the Monitor shall incur no liability or obligation as a result of exercising any powers granted to it hereunder, save and except for any gross negligence or wilful misconduct on its part.

RELEASES

34. **THIS COURT ORDERS** that, effective upon the filing of the Monitor's Closing Certificate, (a) the Applicants and their current directors and officers (the "**Directors and Officers**"), employees, consultants, legal counsel and advisors; (b) the current directors, officers and legal counsel of Residual Co.; (c) the Monitor and its legal counsel; (d) the Purchaser its legal counsel; and (e) the DIP Lender and its legal counsel (the Persons listed in (a), (b), (c), (d) and (e) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, duties, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise), based in whole or in part on any act or omission, transaction, offer, dealing or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's Closing Certificate, including the Agreement, the Back-Up Agreement, the consummation of the Transactions or the Back-Up Transactions, as the case may be, the Distributions and any document, agreement, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing (collectively, the "**Released Claims**"), which Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to Residual Co. or to any other entity and are extinguished, provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar (i) any claim for fraud or any claim that is not permitted to be released pursuant to subsections 5.1(2) and 19(2) of the CCAA; or (ii) any claim that is an Insured Claim (as defined below).

35. **THIS COURT ORDERS** that, notwithstanding anything set out in any of the Orders made by the Court in these CCAA Proceedings, any Person shall be permitted to commence or continue an action, application or other proceeding in respect of any claim or liability against the Directors and Officers which is an insured claim (each an "**Insured Claim**") under any applicable directors' and officers' insurance policy (collectively, the "**Insurance Policies**") to the point of determination of liability, if any. The Person asserting an Insured Claim shall be entitled to recover solely from

the proceeds under the Insurance Policies to the extent available in respect of any such Insured Claim, and recovery of such Insured Claim shall be irrevocably and forever limited solely to such proceeds, without any additional rights of enforcement, recovery or recourse as against any of the Directors and Officers, and such Person shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any of the Directors and Officers, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing herein shall prejudice, compromise, release or otherwise affect any rights or defences of any insurer with respect to its obligations under any of the Insurance Policies.

36. **THIS COURT ORDERS** that at the Closing Time, the Directors' Charge shall be automatically terminated, released and discharged without the need for any further action.

SEALING

37. **THIS COURT ORDERS** that Schedule "I" to the Agreement is hereby sealed until the earlier of: (i) 30 days following the Closing Time, or (ii) further Order of the Court, and shall not form part of the public record.

STAY EXTENSION

38. **THIS COURT ORDERS** that the Stay Period is hereby extended until and including June 30, 2026.

GENERAL

39. **THIS COURT ORDERS** that any right of set off of CRA is preserved to the extent that: (i) any amounts that are, or become, due to an Applicant or Residual Co. with respect to obligations arising prior to the Filing Date are applied against any amounts that are, or become, due from such Applicant or Residual Co., as applicable, with respect to obligations arising prior to the Filing Date; or (ii) any amounts that are, or become, due to an Applicant or Residual Co. with respect to obligations arising after the Filing Date are applied against any amounts that are, or become, due from such Applicant or Residual Co., as applicable, with respect to obligations arising after the Filing Date.

40. **THIS COURT ORDERS** in the event of a conflict between the terms of this Order and those of the SARIO or any other Order of this Court, the provisions of this Order shall govern.

41. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser and Ayurcann shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against Ayurcann, the Purchased Shares and the Retained Property.

42. **THIS COURT ORDERS** that, following the Closing Time, the title of these CCAA Proceedings is hereby changed to:

> IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
>
> AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN HOLDING CORP. (collectively the "**Applicants**" and each an "**Applicant**")

43. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

44. **THIS COURT ORDERS** that the Monitor and the Applicants shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court, tribunal or administrative body whether in Canada, the United States, or elsewhere, for orders which aid and complement this Order. All courts, tribunals and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor as may be deemed necessary or appropriate for that purpose.

45. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any foreign jurisdiction to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

46. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. Prevailing Eastern time on the date hereof that it is made and is enforceable without any need for entry and filing.

Jessica Kimmel

Digitally signed by Jessica Kimmel
Date: 2026.04.28 16:28:13 -04'00'

Click or tap here to enter text.

SCHEDULE A
FORM OF MONITOR'S CLOSING CERTIFICATE

Court File No. CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC. (collectively the "**Applicants**" and each an "**Applicant**")

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to the Initial Order of the Honourable Justice Kimmel of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 30, 2026, as amended and restated on February 9, 2026 and February 13, 2026, Ayurcann Holdings Corp. and Ayurcann Inc. (collectively, the "**Applicants**") were granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and Alvarez & Marsal Canada Inc. was appointed as the monitor of the Applicants (in such capacity, the "**Monitor**").

B. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Approval and Reverse Vesting Order of this Court dated April 28, 2026 (the "**RVO**").

C. The Applicants and Emblem Cannabis Corporation (the "**Purchaser**") entered into an Agreement of Purchase and Sale (the "**Agreement**") dated March 31, 2026.

D. Pursuant to the RVO, the Court approved the Transactions contemplated by the Agreement and ordered, *inter alia*, that: (i) all of Ayurcann's right, title and interest in and to the Excluded Assets and Excluded Contracts shall vest absolutely and exclusively in Residual Co.; (ii) all of the Excluded Liabilities shall be transferred to, assumed by and vest in Residual Co.; and (iii) all of the right, title and interest in and to the Purchased Shares shall vest absolutely and exclusively in the Purchaser free and clear of and from any Claims and Encumbrances and all of the Equity Interests shall be cancelled and terminated, which vesting, terminating and cancelling is to be effective upon the delivery by the Monitor to the Purchaser and the Applicants of a

certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Applicants and the Purchaser that all conditions to closing have been satisfied or waived by the parties to the Agreement.

THE MONITOR CERTIFIES the following:

1. The Monitor has received the Purchase Price.

2. The Monitor has received written confirmation from the Applicants and the Purchaser, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the Applicants or the Purchaser, as applicable, by the parties to the Agreement.

3. The Transactions have been completed to the satisfaction of the Monitor.

4. This Monitor's closing certificate was delivered by the Monitor at Toronto on **[insert date]**, 2026.

Alvarez & Marsal Canada Inc., solely in its capacity as Monitor of the Applicants and not in its personal or corporate capacity.

Per: _____

Name:

Title:

I have authority to bind the Corporation

SCHEDULE B
PERMITTED ENCUMBRANCES

NIL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,* AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

APPROVAL AND VESTING ORDER

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Lawyers for the Applicants

THIS IS **EXHIBIT "F"** REFERRED TO IN THE AFFIDAVIT
OF IGAL SUDMAN, SWORN BEFORE ME
THIS 28TH DAY OF MAY, 2026.

SHAWN KIRKMAN
A Commissioner for taking Affidavits
(or as may be)

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000039-0000 **DATE: April 28, 2026**

NO. ON LIST:2

TITLE OF PROCEEDING: Ayurcann Holdings Corp.; Ayurcann Inc. v.

BEFORE: Justice Kimmel

PARTICIPANT INFORMATION

For Applicant:

Name of Person Appearing	Name of Party	Contact Info
Jamie Ernst Jesse Mighton	Ayurcann Holdings Corp.	ernstj@bennettjones.com mightonj@bennettjones.com

For Third-Party:

Name of Person Appearing	Name of Party	Contact Info
Natasha Rambaran Caitlin Fell Colin Hunt	Counsel for the Monitor	nrambaran@reconllp.com cfell@reconllp.com chunt@reconllp.com
Josh Nevsky Steven Glustein	Monitors	jnevsky@alvarezandmarsal.com sglustein@alvarezandmarsal.com
Miranda Spence	Auxly Cannabis Group INC.	mspence@airdberlis.com
Virginie Gauthier	Purchaser Emblem Corporation.	virginie.gauthier@gowlingwlg.com
Kiera Stevenson	Bridget Virolainen (Creditor)	kstevenson@walkerhead.com
Chioma Obiora	CNSX Markets Inc. (Observer)	chioma.nwachukwu@thecse.com

ENDORSEMENT OF JUSTICE KIMMEL:

[1] The Applicants seek an order (the "Approval and Reverse Vesting Order"), which, among other ancillary relief:

(a) approves the agreement of purchase and sale dated March 31, 2026 (the "Purchase Agreement") between the Applicants and Emblem Cannabis Corporation ("Emblem" and together with its assignee, if any, under the Purchase Agreement, the "Purchaser"), and authorizing the Applicants and the Monitor to take such steps and actions necessary to complete the transactions contemplated in the Purchase Agreement (the "Transactions"); and

(b) approves, as a back-up bid (the "Back-Up Bid"), the Stalking Horse Purchase Agreement and the transactions contemplated therein (the "Back- Up Transactions"), and authorizing and directing the Applicants to take such additional steps and execute such additional documents as necessary or desirable for the completion of the Back-Up Transactions, only to the extent that the Purchase Agreement and the Transactions do not close on or before May 15, 2026 (the "Outside Date").

[2] The requested relief is supported by the third report of the Monitor dated April 24, 2026 (the "Third Report") and the affidavit of Igal Sudman, Chief Executive Officer of Ayurcann, sworn April 21, 2026 (the "Fourth Sudman Affidavit"). It is also supported by the DIP Lender (Stalking Horse Purchaser). No stakeholder appeared to oppose, or indicated in advance any concerns about, or opposition to, the requested relief.

[3] The Purchase Agreement and the Stalking Horse Purchase Agreement may sometimes be referred to as the "Purchase Agreements". Capitalized terms not otherwise defined in this endorsement shall have the meanings ascribed to them in the Applicants' factum filed in support of this motion.

The Proposed Transactions, Back-Up Transactions and Reverse Vesting Order

[4] The Transactions contemplated under the Purchase Agreement are the product of a court-approved Sale Process that authorized the Applicants to solicit interest in a potential transaction in respect of the Company's business and assets (the "Sale Process") and approved a stalking horse purchase agreement (the "Stalking Horse Purchase Agreement") between the Applicants and the DIP Lender, Auxly Cannabis Group Inc. ("Auxly" and in such capacity, the "Stalking Horse Bidder") as the "Stalking Horse Bid", and as the "Back-Up Bid" in the event that the Sale Process produced a superior transaction, which it did in this case.

[5] As described in the Monitor's Third Report, the Transactions provide for the acquisition of the Applicants' business on a going concern basis through a reverse vesting transaction, pursuant to which, following the cancellation of all outstanding shares and securities of Ayurcann, the Purchaser will acquire 100% of the newly issued common shares of Ayurcann. Under the reverse vesting structure, the Excluded Assets, Excluded Liabilities and Excluded Contracts will be transferred and vested in Residual Co. prior to the Purchaser acquiring the Purchased Shares. All claims and Encumbrances against Ayurcann, the Purchased Shares, the Retained Assets and the Retained Contracts will be discharged and released and vested in Residual Co., pursuant to the proposed Approval and Reverse Vesting Order.

[6] The proposed Approval and Reverse Vesting Order contains specific provisions authorizing, requesting and directing the regulatory authorities (including Health Canada) to recognize the change of control and ownership. These provisions have been granted in other restructuring transactions involving cannabis companies, without any known concerns or objections having been raised by the regulators who have been asked to act upon these orders in prior circumstances. Examples of orders that contain similar language are found in the Applicants' Factum at footnote #36: see *Fire & Flower*, Approval and Reverse Vesting Order

of Osborne J., at para. 10 and *Mera Cannabis Corp*., Approval and Reverse Vesting Order of Cavanagh J., at para. 12.

[7] The Company's current directors have been and continue to work with the regulators and the Purchaser to facilitate the necessary regulatory recognition of the new management under the Purchaser. The Purchaser is itself a registrant already.

[8] The Stalking Horse Purchase Agreement is materially similar to the Purchase Agreement, containing substantially identical schedules, transaction structure, and closing conditions. The key difference between the Purchase Agreements is the Stalking Horse Bid's (lower) purchase price of $4,640,000 (excluding any amounts allocated to the Bid Protections). Whereas it is estimated that the Purchase Agreement will produce sufficient funds, after payment of the Bid Protections and repayment of the DIP Loan, to enable distributions to unsecured creditors.

[9] Furthermore, the Purchase Agreement will result in, among other things:

(a) continued employment of approximately forty (40) employees and additional contractors; and

(b) the preservation of Ayurcann's proprietary brands, material customer and supplier relationships, and regulatory cannabis licences and governmental contracts.

[10] Both Purchase Agreements contemplate proposed transactions to be implemented through a reverse vesting structure, which the Monitor believes is necessary and appropriate in the circumstances, for the reasons detailed in section 6.3 of the Third Report. The Monitor views the reverse vesting structure to be the only viable alternative available by which the value of the Applicants' business can be maximized.

[11] A reverse vesting order is an extraordinary equitable remedy. These types of orders are not granted as a matter of course and are scrutinized by the court, whether or not they are opposed. This scrutiny involves consideration of whether the RVO is necessary, whether the consideration is a fair reflection of the value of the assets being preserved under the reverse vesting structure, whether the reverse vesting structure produces an economic result at least as favourable as any other viable alternative, and whether there is any stakeholder worse off under a reverse vesting scenario than they would have been under any other viable alternative: see *Harte Gold Corp (Re)*, 2022 ONSC 653, at para. 38. Here, the applicants and the Monitor consider the only alternative to a reverse vesting structure to be a liquidation.

[12] Reverse vesting orders have been found to be appropriate and approved in cases where the debtor's business involves corporate attributes and assets that would be difficult or impossible to convey through a traditional vesting order without delaying or impacting the business operations. Among these are examples of cases involving cannabis companies with government issued licences that can be difficult if not impossible to transfer in a timely manner.

[13] The factors identified by the Monitor in its reasons for recommending the reverse vesting structure in this case satisfy both the requirements for the court's approval of reverse vesting orders set out in *Harte Gold* as well as the non-exhaustive factors enumerated under s. 36(3) of the CCAA and articulated by the Court of Appeal in *Royal Bank v. Soundair Corp.* [1991] O.J. No. 1137 (ON CA), at para 16 for approval of a sale transaction in the context of a restructuring proceeding. The specifics of how these requirements have been satisfied are detailed in paragraph 29 of the Applicants' factum for this motion.

[14] In the Monitor's view, approval of the Back-Up Transactions is also in the best interests of the Applicants and their stakeholders. Approval of the Back-Up Bid will provide certainty that a going-concern transaction will be consummated, avoids further delay, and eliminates the additional professional costs and judicial resources that would be required for a second motion if the Purchase Agreement does not close. It

preserves value for stakeholders by avoiding further costs. The Back-Up Bid concept was also explicitly contemplated in the Court-approved Sale Process. The court has approved Back-Up Transactions in other cases, at the same time as approving a superior transaction: see *Fire & Flower* Approval and Reverse Vesting Order, at para. 23.

[15] Given the reverse vesting structure, the Monitor needs, and is willing to accept, enhanced powers in respect of ResidualCo, to enable the performance of ResidualCo's obligations under the Purchase Agreement and implement any ongoing matters the ResidualCo must attend to post-closing. The broad discretion under ss. 11 a 23(1) (k) of the CCAA can, and should in this case, be exercised to grant these enhanced powers and corresponding usual protections for the Monitor.

Proposed Distributions and Stay Extension

[16] The DIP Indebtedness and the Bid Protections are both secured by super-priority charges, which will attach to the Sale Proceeds as part of the Transactions. The Updated Cash Flow Forecast indicate that the Applicants will have sufficient liquidity following the closing of the Transactions to satisfy all anticipated obligations secured by the other Charges granted during the CCAA Proceedings (including amounts secured under the Administration Charge). The Monitor supports the proposed distributions on the basis that no stakeholder will be materially prejudiced by them.

[17] The court's broad discretion under s. 11 of the CCAA favours the approval of these proposed distributions even if not being made pursuant to a plan of arrangement: see *Re Nortel Networks Corporation et al*, 2014 ONSC 4777, at paras 54-58 and *AbitibiBowater inc. (Arrangement relatif à)*, 2009 QCCS 6461, at para. 71.

[18] The Stay under the Second ARIO expires on April 30, 2026. Pursuant to the Approval and Reverse Vesting Order, the Applicants are seeking an extension of the Stay until and including June 30, 2026. The Updated Cash Flow Forecast also indicates that the Applicants will have sufficient cash flow to meet their obligations arising in the normal course through to the expiry of the proposed extension of the Stay on June 30, 2026, whether the Transactions are completed under the Purchase Agreement or the Stalking Horse Purchase Agreement. In any other scenario the Applicants would likely be back for further directions from the court.

[19] The Monitor supports the Applicants' request to extend the Stay for the reasons detailed in section 6.29 of the Third Report. I am satisfied that the extension of the Stay should be granted under s. 11.02(2) of the CCAA. The Applicants have acted and are acting in good faith and with due diligence. The Monitor and the DIP Lender both support the Stay extension and the Monitor does not believe that any stakeholder will be materially prejudiced by it.

The Releases

[20] The Approval and Reverse Vesting Order provides for certain releases (the "Releases") in favour of: (i) the Applicants and their current directors and officers (the "Directors and Officers"), employees, consultants, legal counsel and advisors; (ii) the current directors, officers and legal counsel of Residual Co.; (iii) the Monitor and its legal counsel; (iv) the Purchaser and its legal counsel; and (v) the DIP Lender and its legal counsel (collectively, the "Released Parties").

[21] The releases are only for claims in respect of matters up to the date of closing, not afterwards, with a carve out for insured claims to the extent of available insurance. The do not release fraud or wilful misconduct nor any matters that are not permitted to be released under ss. 5.01(2) or 19(2) of the CCAA.

[22] Releases are not granted as a matter of course, or just because they Purchaser has insisted upon them as a condition of their agreement. They need to be justified in each case. The factors relevant to the approval of releases in CCAA proceedings involving reverse vesting orders have been articulated by this Court as follows: (a) whether the parties to be released from claims were necessary and essential to the restructuring of the debtor; (b) whether the claims to be released were rationally connected to the purpose of the plan and necessary for it; (c) whether the plan could succeed without the releases; (d) whether the parties being released were contributing to the plan; and (e) whether the release benefitted the debtors as well as the creditors generally. It is not necessary for each of these factors to apply for the proposed releases to be granted: see *Lydian International Limited (Re)*, 2020 ONSC 4006, para. 54, referred to in *Harte Gold*, at para. 80; *Green Relief, Re*, 2020 ONSC 6837, at para. 28.

[23] The court is familiar with the important role played by the Monitor in the restructuring of the Applicants. The Monitor is of the view that the other Released Parties were essential to the restructuring of the Applicants, as further detailed at paragraphs 65 and 66 to the Fourth Sudman Affidavit. For the reasons detailed in sections 6.16-6.24 of the Third Report, the Monitor is supportive of the proposed Releases and believes they are fair and reasonable in the circumstances.

[24] The Monitor confirms that the Released Parties have materially contributed to these CCAA proceedings through their expertise, knowledge, and continued participation in connection with the SISP and the proposed Transactions. Given their limited scope, the Monitor does not believe that the Releases will prejudice creditors generally. Various other factors relevant to the court's exercise of its discretion in approving releases are also present, as detailed in paragraphs 39-45 of the Applicants' factum.

[25] The release of certain claims and liabilities for Taxes provided for in paragraph 12 of the draft order has been approved and vetted by the Department of Justice on behalf of Canada Revenue Agency ("CRA"), with specific edits (and carve outs) requested by them having been incorporated in the final form of order presented to the court. CRA also requested the inclusion of paragraph 39 of the order, dealing with the preservation of CRA rights of set-off pre-and post-CCAA filing, respectively.

Requested Sealing Order

[26] Schedule "I" to the Purchase Agreement is a summary of the Retained Employees (the "Retained Employee List"). The Applicants are requesting a sealing order for the Retained Employee List, which contains information that is both commercially sensitive and personal to the Retained Employees. This is important to keep confidential given the (small) size of the company and the need to keep the company operating until the Transactions close and the Purchaser takes over. Disclosing information about which employees are expected to be retained and which are not could be disruptive to that objective and to the intended going concern Transactions.

[27] The sealing order is limited in scope to confidential information about the Retained Employees under the Transactions, so as to minimally intrude upon the public interest in the openness of our courts. The proposed partial sealing order appropriately balances the open court principle and legitimate commercial requirements for confidentiality.

[28] I am satisfied that the limited nature and scope of the proposed sealing order is appropriate and satisfies the *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC requirements, as modified by the reformulation of the test in *Sherman Estate v. Donovan*, 2021 SCC 25, at para 38. Preservation of the confidentiality of information in the context of a sale process is recognized as meeting the requirements of the test for sealing court documents in *Sherman Estate v. Donovan*, 2021 SCC 25, at para. 85 when limited

to only that material that contains the confidential and sensitive information and only for as long as may be necessary.

[29] The court understands the commercial sensitivity of the identity of the Retained Employees (and by default, those who will not be retained) pending the closing of the ultimate transaction to be implemented under the Purchase Agreements, but asked that the proposed sealing order be time limited to a set date after the outside date. This has now been included in paragraph 37 of the revised Approval and Reverse Vesting Order which provides that the sealing order shall remain in effect until the earlier of: (i) 30 days following the Closing Time, or (ii) further Order of the Court.

[30] Counsel for the Applicants are directed to ensure that the sealed Schedule I is provided to the court clerk at the filing office in an envelope with a copy of this endorsement and the signed order with the relevant provisions highlighted so that the confidential schedule can be physically sealed. Counsel is further directed to apply, at the appropriate time, for an unsealing order.

Order

[31] For all of the foregoing reasons, and the more detailed justifications set out in the Monitor's Third Report and the Applicants' factum, I have approved the Transactions under the Purchase Agreement and the Back-Up Transactions under the Stalking Horse Purchase Agreement, and grant the other related and ancillary relief sought by the Approval and Reverse Vesting Order, the revised form of which I have signed today.

Date: Apr 28, 2026

Jessica Kimmel

THIS IS **EXHIBIT "G"** REFERRED TO IN THE AFFIDAVIT
OF IGAL SUDMAN, SWORN BEFORE ME
THIS 28TH DAY OF MAY, 2026.

SHAWN KIRKMAN
A Commissioner for taking Affidavits
(or as may be)

FIRST AMENDMENT

TO THE

AGREEMENT OF PURCHASE AND SALE

DATED MAY 15, 2026

AMONG:

AYURCANN HOLDINGS CORP.

-AND-

AYURCANN INC.

-AND-

EMBLEM CANNABIS CORPORATION

CONTEXT:

A. Ayurcann Holdings, Ayurcann and the Purchaser entered into an agreement of purchase and sale dated as of March 31, 2026 (the "**Agreement**"); and

B. The Parties have agreed, subject to the terms and conditions set out below, to amend the Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to amend the Agreement as provided herein:

Section 1 General

In this First Amendment (including the recitals) unless otherwise defined or the context otherwise requires, all capitalized terms shall have the respective meanings specified in the Agreement.

Section 2 To be Read with the Agreement

This First Amendment is an amendment to the Agreement. Unless the context of this First Amendment otherwise requires, the Agreement and this First Amendment shall be read together and shall have effect as if the provisions of the Agreement and this First Amendment were contained in one agreement. The term "Agreement" when used in the Agreement means the Agreement as amended, restated, supplemented or modified from time to time.

Section 3 Amendments

(a) Amendment to Section 1.1. The reference to "May 15, 2026" in the definition of "Termination Date" in Section 1.1 of the Agreement is hereby deleted and replaced with "May 29, 2026".

Section 4 Continuance of Agreement

The Agreement, as changed, altered, amended or modified by this First Amendment, is and shall continue in full force and effect and is hereby ratified and confirmed and the rights and obligations of all parties hereunder and thereunder shall not be affected or prejudiced in any manner except as specifically provided for herein.

Section 5 Counterparts

This First Amendment may be executed and delivered by PDF via email or other generally accepted means of electronic execution and transmission and each of the parties hereto may rely on such signature as though such signature were an original signature. This First Amendment may be executed in any number of separate counterparts all of which when taken together shall constitute one and the same agreement.

Section 6 Governing Law

This First Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the parties hereto irrevocably attorns to the jurisdiction of the Court.

[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

IN WITNESS WHEREOF the parties have executed this First Amendment as of the date first written above.

AYURCANN HOLDINGS CORP.
Per:

Signed by:
Igal Sudman
26ACA44216F7480...

Name: Igal Sudman
Title: Chief Executive Officer

I have the authority to bind the corporation.

AYURCANN INC.
Per:

Signed by:
Igal Sudman
26ACA44216F7480...

Name: Igal Sudman
Title: Chief Executive Officer

I have the authority to bind the Corporation.

EMBLEM CANNABIS CORPORATION
Per:

_____

Name:
Title:

I have the authority to bind the Corporation.

IN WITNESS WHEREOF the parties have executed this First Amendment as of the date first written above.

AYURCANN HOLDINGS CORP.
Per:

_____
Name:
Title:

I have the authority to bind the corporation.

AYURCANN INC.
Per:

_____
Name:
Title:

I have the authority to bind the Corporation.

EMBLEM CANNABIS CORPORATION
Per:

DocuSigned by:
Edoardo Mattei
C2CED00C81024E4...
Name: Edoardo Mattei
Title: CFO

I have the authority to bind the Corporation

THIS IS **EXHIBIT "H"** REFERRED TO IN THE AFFIDAVIT
OF IGAL SUDMAN, SWORN BEFORE ME
THIS 28TH DAY OF MAY, 2026.

SHAWN KIRKMAN
A Commissioner for taking Affidavits
(or as may be)

FIRST AMENDING AGREEMENT

THIS FIRST AMENDING AGREEMENT (this "**Agreement**") is entered into on the 14th day of May, 2026.

WHEREAS:

A. Ayurcann Holdings Corp. ("**Ayurcann Parent**") and Ayurcann Inc. ("**Ayurcann**") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended pursuant to an initial order granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on January 30, 2026 (the "**Initial Order**");

B. On February 13, 2026 the Court granted an order amending and restating the Initial Order, that, among other things, approved the debtor-in-possession financing commitment letter dated as of February 8, 2026 (the "**DIP Commitment Letter**") between: (i) Ayurcann, as Borrower (in such capacity, the "**Borrower**"); (ii) Ayurcann Parent, as Guarantor (in such capacity, the "**Guarantor**"); and (iii) Auxly Cannabis Group Inc., as Lender (in such capacity, the "**Lender**" and together with the Borrower and the Guarantor, the "**Parties**"); and

C. The Parties have agreed to make certain amendments to the DIP Commitment Letter, on and subject to the terms and conditions set out in this Agreement.

NOW THEREFORE in consideration of the premises and the agreements set out herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meaning ascribed to such terms in the DIP Commitment Letter.

Section 1.2 Continued Effectiveness

Except as expressly provided herein, all of the terms and provisions of the DIP Commitment Letter are and shall remain in full force and effect and are hereby ratified and confirmed by the Parties. The amendments contained herein shall not be construed as a waiver or amendment of any other provision of the DIP Commitment Letter or for any purpose except as expressly set forth herein.

ARTICLE 2
AMENDMENTS

Section 2.1 Amendments to the DIP Term Sheet

The DIP Commitment Letter is hereby amended as follows:

(a) Section 8 by deleting "May 15, 2026" therein and replacing it with "May 31, 2026".

Section 2.2 Amendment Fee

Pursuant to Section 21 of the DIP Commitment Letter, the Borrower shall pay an amendment fee in the amount of CA$12,500.00 (the "**Amendment Fee**"). The Amendment Fee shall be added to the principal amount outstanding under the DIP Facility and otherwise treated as an Advance thereunder. The Amendment Fee shall be earned on execution of this Agreement and payable at the DIP Termination Date. For certainty, the Amendment Fee shall be secured by the DIP Charge.

ARTICLE 3
CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent

This Agreement shall become effective only upon its due execution and delivery by all Parties hereto.

ARTICLE 4
MISCELLANEOUS

Section 4.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 4.2 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

Section 4.3 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same Agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first set out above.

AYURCANN INC., as Borrower

Per: Signed by: Igal Sudman 26ACA44216F7480...

Name: Igal Sudman
Title: Chief Executive Officer

I/We have the authority to bind the corporation

AYURCANN HOLDINGS CORP., as Guarantor

Per: Signed by: Igal Sudman 26ACA44216F7480...

Name: Igal Sudman
Title: Chief Executive Officer

I/We have the authority to bind the corporation

AUXLY CANNABIS GROUP INC., as Lender

Per: _____

Name: Hugo Alves
Title: Chief Executive Officer

I/We have the authority to bind the corporation

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first set out above.

AYURCANN INC., as Borrower

Per: _____

Name: Igal Sudman
Title: Chief Executive Officer

I/We have the authority to bind the corporation

AYURCANN HOLDINGS CORP., as Guarantor

Per: _____

Name: Igal Sudman
Title: Chief Executive Officer

I/We have the authority to bind the corporation

AUXLY CANNABIS GROUP INC., as Lender

Per: _____

Name: Hugo Alves
Title: Chief Executive Officer

I/We have the authority to bind the corporation

THIS IS **EXHIBIT "I"** REFERRED TO IN THE AFFIDAVIT
OF IGAL SUDMAN, SWORN BEFORE ME
THIS 28TH DAY OF MAY, 2026.

SHAWN KIRKMAN
A Commissioner for taking Affidavits
(or as may be)

SECOND AMENDMENT

TO THE

AGREEMENT OF PURCHASE AND SALE

DATED JUNE 1, 2026

AMONG:

AYURCANN HOLDINGS CORP.

-AND-

AYURCANN INC.

-AND-

EMBLEM CANNABIS CORPORATION

CONTEXT:

A. Ayurcann Holdings, Ayurcann and the Purchaser entered into an agreement of purchase and sale dated as of March 31, 2026, as amended by a first amendment to the agreement of purchase and sale dated as of May 15, 2026 (collectively, the "**Agreement**"); and

B. The Parties have agreed, subject to the terms and conditions set out below, to amend the Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to amend the Agreement as provided herein:

Section 1 General

In this Second Amendment (including the recitals) unless otherwise defined or the context otherwise requires, all capitalized terms shall have the respective meanings specified in the Agreement.

Section 2 To be Read with the Agreement

This Second Amendment is an amendment to the Agreement. Unless the context of this Second Amendment otherwise requires, the Agreement and this Second Amendment shall be read together and shall have effect as if the provisions of the Agreement and this Second Amendment were contained in one agreement. The term "Agreement" when used in the Agreement means the Agreement as amended, restated, supplemented or modified from time to time.

Section 3 Amendments

(a) Amendment to Section 1.1.

(i) The following definitions shall be added or deleted and replaced (as applicable) in alphabetical order:

(A) "**DIP Lender**" means Emblem Cannabis Corporation in its capacity as lender under the DIP Commitment Letter;

(B) "**DIP Commitment Letter**" means the amended and restated debtor in possession facility commitment letter dated **[June 1]**, 2026 between the Ayurcann Entities and the DIP Lender (as amended, supplemented, amended and restated, replaced or modified from time to time);

(C) "**DIP Debt**" means obligations owing by the Ayurcann Entities to the DIP Lender under the DIP Commitment Letter, and secured by, *inter alia*, the DIP Lender's Charge (as defined in the Initial Order), inclusive of all interest, fees and other amounts payable pursuant to the DIP Commitment Letter;

(D) "**Payout Amount**" means the amount paid by the Purchaser to Auxly Cannabis Group Inc. pursuant to Section 2.01 of the Assignment of Indebtedness and Security Agreement dated June 1, 2026);

(E) "**Purchase Price**" means $5,004,200 *plus* the Purchase Price Adjustment;

(F) "**Purchase Price Adjustment**" means an amount equal to (i) DIP Debt as of Closing *minus* (ii) the Payout Amount;

(G) "**Purchase Price Cash Amount**" means an amount equal to the Purchase Price *minus* the DIP Debt.

(ii) The reference to "May 29, 2026" in the definition of "Termination Date" in Section 1.1 of the Agreement is hereby deleted and replaced with "June 30, 2026".

(b) Amendment to Section 3.3. Section 3.3 of the Agreement shall be deleted in its entirety and replaced with the following:

"3.3 **Satisfaction of Consideration**.

The Purchase Price shall be satisfied at Closing as follows:

(a) the Purchaser shall cause the release of the full amount of the DIP Debt as of Closing (including any principal outstanding in connection therewith, interest accrued thereunder and other fees owing in connection therewith) in favour of the Ayurcann Entities in full and final satisfaction of the DIP Debt;

(b) the Purchaser shall pay the Purchase Price Cash Amount in cash on Closing, by wire transfer of immediately available funds paid to the Monitor or as the Monitor may direct in writing; and

(c) in addition to the Purchase Price Cash Amount, the Purchaser shall also pay in cash on Closing an amount equal to the Cure Costs, if any, by wire transfer in immediately available funds to the Monitor.

(c) Amendment to Section 5.2(b). The following shall be added after "Cash Flow" at the end of the opening paragraph of Section 5.2(b): "approved by the Purchaser in its capacity as DIP Lender".

(d) Amendment to Section 7.4. The words "Cash Amount" shall be added after "Purchase Price" in the first line of Section 7.4.

(e) Amendment to Schedule "H". Schedule "H": Retained Contracts of the Agreement is hereby deleted in its entirety and replaced with the Schedule "H" attached hereto as Schedule "A".

Section 4 Continuance of Agreement

The Agreement, as changed, altered, amended or modified by this Second Amendment, is and shall continue in full force and effect and is hereby ratified and confirmed and the rights

and obligations of all parties hereunder and thereunder shall not be affected or prejudiced in any manner except as specifically provided for herein.

Section 5 Counterparts

This Second Amendment may be executed and delivered by PDF via email or other generally accepted means of electronic execution and transmission and each of the parties hereto may rely on such signature as though such signature was an original signature. This Second Amendment may be executed in any number of separate counterparts all of which when taken together shall constitute one and the same agreement.

Section 6 Governing Law

This Second Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the parties hereto irrevocably attorns to the jurisdiction of the Court.

[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

IN WITNESS WHEREOF the parties have executed this Second Amendment as of the date first written above.

AYURCANN HOLDINGS CORP.
Per:

_____
Name: Igal Sudman
Title: Chief Executive Officer

I have the authority to bind the corporation.

AYURCANN INC.
Per:

_____
Name: Igal Sudman
Title: Chief Executive Officer

I have the authority to bind the Corporation.

EMBLEM CANNABIS CORPORATION
Per:

_____
Name:
Title:

I have the authority to bind the Corporation.

SCHEDULE "A"
Replacement Schedule "H": Retained Contracts

SCHEDULE "H"
RETAINED CONTRACTS

Applicant Party	Contract Party	Contract	Contract Effective Date	Contract Expiry Date
Ayurcann Inc.	Ontario Cannabis Retail Corporation	Master Cannabis Supply Agreement	15-Sep-21	None
Ayurcann Inc.	Alberta Gaming, Liquor and Cannabis Commission	Standing Offer Contract	3-Nov-21	None
Ayurcann Inc.	Province of British Columbia	Licensed Producer Supply Agreement for Non-Medical Cannabis	1-May-25	None
Ayurcann Inc.	Yukon Liquor Corporation	Cannabis Purchase and Sale Agreement	7-Dec-22	None
Ayurcann Inc.	Canadian Bank Note Company	Agreement for the Supply of CRA Excise Stamps and Additional Services	23-Jul-20	30-Sep-35
Ayurcann Inc.	Canadian Bank Note Company	Statement of Work No. 1 - Excise Stamp Conversion	23-Jul-20	None
Ayurcann Inc.	High Tide Inc.	Cabanalytics Data License Agreement	1-Sep-22	None
Ayurcann Inc.	CogentNext Technologies Pvt Ltd.	Proposal for D365 BC Configuration and Support	7-Feb-25	None
Ayurcann Inc.	HRK Accounting & Tax Services	Engagement Letter	16-Oct-24	None
Ayurcann Inc.	Dina Merenkova	Subcontractor Agreement	23-May-24	None
Ayurcann Inc.	The Boiler Inspection & Insurance Company of Canada	Equipment Breakdown Insurance Policy #20500270-06	9-Jan-26	9-Jan-27
Ayurcann Inc.	Empire Life Insurance Company	Application For Group Insurance	1-Jan-25	1-Apr-27
Ayurcann Inc.	Amir Bagheri	Independent Contractor Agreement	1-Mar-26	20-Apr-26 (renews monthly automatically)
Ayurcann Inc.	10926671 Canada Ltd. o/a	Distribution Agreement	1-Nov-22	1-Nov-23 (renews

	Open Fields Distribution			annually automatically)
Ayurcann Inc.	Wild Card Cannabis Incorporated	Data License Agreement	1-Nov-22	None
Ayurcann Inc.	Belletech Security Systems	Service Agreement	8-Aug-19	8-Aug-24 (renews annually automatically)

THIS IS **EXHIBIT "J"** REFERRED TO IN THE AFFIDAVIT
OF IGAL SUDMAN, SWORN BEFORE ME
THIS 28TH DAY OF MAY, 2026.

SHAWN KIRKMAN
A Commissioner for taking Affidavits
(or as may be)

Amended and Restated Debtor-in-Possession Facility Commitment Letter

[June 1], 2026

Ayurcann Inc.
1080 Brock Road
Pickering, Ontario
L1W 3H3

Attention: Igal Sudman and Roman Buzaker

Re: DIP Facility Commitment Letter – Ayurcann Inc.

This binding term sheet (this "**Agreement**") amends and restates in its entirety the debtor-in-possession facility commitment letter (as amended by the first amending agreement dated May 14, 2026, the "**Original Agreement**") dated February 8, 2026 between the Loan Parties (as defined below) as borrower and guarantor and Auxly Cannabis Group ("**Auxly**") as lender, which Original Agreement was assigned from Auxly to the Lender pursuant to the terms of an assignment of indebtedness and security agreement dated **[June 1]**, 2026 among Auxly, as assignor, the Lender (as defined below), as assignee, the Borrower and the Guarantor.

The Lender hereby commits to provide the DIP Facility to the Borrower upon the terms and subject to the conditions set forth in this binding term sheet (this "**Agreement**") to fund the Borrower's restructuring efforts in the CCAA Proceedings under the jurisdiction of the CCAA Court. Capitalized terms used herein without express definition will have the same meanings as are assigned to them in Schedule A. Any word defined in or importing the singular number has the same meaning when used in the plural number, and *vice versa*.

1.	**Borrower:**	Ayurcann Inc., a Canadian federally incorporated company (the "**Borrower**").
2.	**Guarantor:**	Ayurcann Holdings Corp., an Ontario company (the "**Guarantor**"). The Borrower and the Guarantor are collectively referred to herein as the "**Loan Parties**". The Guarantor guarantees in favour of the Lender the payment and performance of all DIP Obligations of the Borrower under or in connection with the DIP Facility.
3.	**Lender:**	Emblem Cannabis Corporation (the "**Lender**").
4.	**DIP Credit Facility:**	A non-revolving loan up to the maximum principal amount of $3,000,000 (the "**DIP Facility**").
5.	**Purpose:**	All Advances under the DIP Facility shall be used in accordance with the Cash Flow Projections for the following purposes and in the following order: (1) to fund the working capital (including working capital investments in inventory) and restructuring expenses of the Loan Parties necessary for the preservation of the business and assets of the Loan Parties during the

		CCAA Proceedings in accordance with the approved Cash Flow Projections; (2) to fund the reasonable and documented professional fees and disbursements associated with the CCAA Proceedings; (3) to fund the payment of interest, fees, and other amounts payable under this Agreement; and (4) to fund such other costs and expenses as agreed to in advance, in writing, by the Lender For greater certainty, the Borrower may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Loan Parties without the prior written consent of the Lender and the Monitor; it being agreed by the Lender that such consent is not required for the Loan Parties to pay any amounts owing by the Loan Parties to the extent specifically identified in the Cash Flow Projections or the CCAA Initial Order. No proceeds of the Advances may be used for any purpose other than in accordance with the Cash Flow Projections except with the prior written consent of the Lender.
6.	**Availability:**	The DIP Facility shall be available in advances on the dates and in the amounts noted in the Cash Flow Projections, which must be approved by the Lender (the "**Advances**"). The Borrower must request an Advance to the Lender in writing as soon as practicable and on no less than three (3) Business Days notice. Advances shall be made directly to the Borrower provided written confirmation of each Advance is concurrently provided to the Monitor.
7.	**Interest:**	Amounts drawn and outstanding under the DIP Facility will bear interest at a rate per annum equal to 12%. Interest on the principal amount outstanding under the DIP Facility shall be capitalized monthly in arrears and payable on the DIP Termination Date (defined below). All interest shall be calculated on the basis of a 365-day year, in each case for the actual number of days elapsed in the period during which it accrues. All payments required to be made by the Borrower under or in respect of the DIP Facility shall be made free and clear of any withholding, set-off or other deduction.
8.	**Term and Repayment:**	The DIP Facility shall terminate on the earliest to occur of ("**DIP Termination Date**"): (1) the closing of the purchase and sale of all or substantially all of the assets or shares of the Borrower; (2) the effective date of any Plan;

		(3) the early termination of the DIP Facility in accordance with the terms of this Agreement by the Lender (in writing) upon the occurrence and during the continuation of an Event of Default; (4) unless otherwise consented to by the Lender, June 30, 2026; (5) the termination, expiration, or conversion of the CCAA Proceedings; and (6) payment in full of all amounts owing under the DIP Facility. Amounts outstanding under the DIP Facility, including all principal, accrued interest, fees, and other amounts then unpaid with respect thereto, shall be due and payable in full on the DIP Termination Date, and the DIP Facility shall be automatically terminated, with no further notice. The DIP Facility may be terminated with the consent of both the Lender and the Borrower, at which time, all accrued interest, principal, fees and expenses owing shall be paid in cash to the Lender on such DIP Termination Date.
9.	**Fees:**	**Commitment Fee** The Borrower shall pay a commitment fee in the amount of CA$60,000, representing 2% of the maximum amount of the DIP Facility. The Commitment Fee shall be added to the principal amount outstanding under the DIP Facility and otherwise treated as an Advance hereunder. The Commitment Fee shall be earned on the issuance of the DIP Order and payable at the DIP Termination Date. For certainty, the Commitment Fee shall be secured by the DIP Charge.
10.	**Security:**	All present and future obligations (including without limitation, principal, interest, fees, and other expenses, collectively the "**DIP Obligations**") of the Loan Parties under or in connection with the DIP Facility, this Agreement, and other documents in connection with the DIP Facility (collectively, the "**Loan Documents**"), will be secured by the DIP Charge. The DIP Charge shall rank in priority to all other security interests, encumbrances, and charges save and except for the Administrative Charge. The DIP Charge shall be granted by the CCAA Court, on terms and conditions satisfactory to the Lender and the Loan Parties. The Lender may take such steps from time to time as it deems necessary or appropriate to file, register, record or perfect the DIP Charge or any of the Loan Documents.
11.	**Cash Management:**	Subject to the terms of the CCAA Initial Order: (1) Each Loan Party shall, at its own expense, enforce, collect, and receive all amounts owing on its accounts

		in the ordinary course of its business, and any proceeds it so receives shall be subject to the terms hereof. (2) Each Loan Party shall provide the Lender with a complete list of its bank accounts (the "**Accounts**"). (3) All Advances shall be deposited into a designated Account acceptable to the Borrower, the Monitor and the Lender; (4) Each Loan Party shall direct all debtors in the CCAA Proceedings to deposit any and all proceeds into the Accounts. (5) The Lender shall record the principal amount of the obligations owing to the Lender under this Agreement and the payment of principal and interest and all other amounts becoming due to the Lender. The Lender's accounts and records shall constitute, in the absence of manifest error, *prima facie* evidence of the amount of the obligations owing to the Lender under this Agreement.
12.	**Conditions Precedent to All Advances:**	Each Advance under the DIP Facility shall be subject to the satisfaction of the following conditions precedent: (1) The issuance of the DIP Order and the CCAA Initial Order (which may be one and the same Order) (i) shall have been issued by the CCAA Court authorizing and approving Advances under the DIP Facility and granting the DIP Charge, and (ii) shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the Lender, unless otherwise agreed by the Lender, acting reasonably. (2) The DIP Charge shall have priority over all liens or encumbrances granted by the Loan Parties against any of the undertaking, property or assets of the Loan Parties except for the Administrative Charge. (3) The Lender shall have received a drawdown request in accordance with the terms herein. (4) The Lender shall have received a certificate from an officer of each of the Loan Parties in form and substance satisfactory to the Lender, certifying that each of the representations and warranties made by any Loan Party under this Agreement are true and correct on and as of the date of the subsequent Advance. (5) No Default or Event of Default shall have occurred and be continuing on the date of the Advance or will occur after giving effect to the Advance(s) requested. (6) The Cash Flow Projections shall be approved in writing by the Lender, acting reasonably, and the timing and

		amount of each Advance shall be in accordance with the Cash Flow Projections. (7) All fees and expenses owing to the Lender under the Loan Documents shall have been paid or added to the principal amount of the DIP Facility. (8) This Agreement shall have been executed and delivered by the Loan Parties. (9) The Lender is reasonably satisfied that all representations and warranties are true and correct as of the Closing Date, and that the Loan Parties have complied with all covenants under this Agreement. (10) No Default or Event of Default shall have occurred and be continuing on the Closing Date. (11) No Material Adverse Effect has occurred other than any Material Adverse Effect previously disclosed in writing to the Lender.
13.	**Representations and Warranties:**	Each Loan Party represents and warrants to the Lender, upon which the Lender is relying in entering into this and other Loan Documents, that: (1) Each Loan Party is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and each is qualified to carry on business in each jurisdiction in which it owns property or assets or carries on business (if any). (2) Each Loan Party has the power and authority to own or lease its property (if any), carry on business and enter into, execute, deliver, and, subject to the obtaining of the CCAA Initial Order and the terms thereof, perform its obligations under this Agreement and the other Loan Documents. (3) Each Loan Party has taken all corporate actions to authorize the execution, delivery, and performance of this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby. (4) Each Loan Party has good and marketable title to its property and assets (if any), and no person has any agreement, option, or right to acquire an interest in such property other than in the ordinary course of business of the Loan Parties. (5) Subject to the obtaining of the CCAA Initial Order and the terms thereof, all consents, notices, and approvals necessary for each Loan Party to enter into the transactions contemplated by this Agreement and the other Loan Documents to which it is a party have been obtained. (6) Subject to the obtaining of the CCAA Initial Order and the terms thereof, this Agreement and the other Loan Documents have been duly executed, delivered, and

		authorized by each Loan Party and constitute legal, valid, and binding obligations, enforceable in accordance with their respective terms. (7) Subject to the obtaining of the CCAA Initial Order and the terms thereof, each Loan Party is in compliance with, and operates its business (if any) in compliance with, all Applicable Laws, in all material respects, including with respect to licensing and regulatory requirements. (8) The Cash Flow Projections, and any forward-looking statements, estimates, and pro forma financial information furnished to the Lender pursuant to any Loan Document, are based on good-faith estimates and assumptions believed by the Loan Parties to be reasonable at the time made. (9) Each Loan Party has in full force and effect policies of insurance with sound and reputable insurance companies in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses. (10) Each Loan Party has filed in a timely fashion all required tax returns and reports (except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred). (11) The DIP Charge is effective to create, in favour of the Lender, a legal, valid, binding, and enforceable perfected security interest in the collateral and the proceeds and products noted therein, without the necessity of the execution of mortgages, security agreements, pledge agreements, financing statements, or other agreements or documents. (12) No Default or Event of Default has occurred. (13) The Loan Parties have not entered into any material transaction or other written contractual relationship with any Related Party except as publicly disclosed by the Borrower or disclosed to the Lender in writing prior to the effective date of this Agreement, other than currently existing employment arrangements. (14) All payments to directors and senior executives of the Loan Parties or any Related Party, whether under contract or otherwise, including bonus payments, transaction payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement have, to the extent known and contemplated for future payments, been included and specified in the Cash Flow Projections. (15) The Borrower only engages in business activities related to cannabis in Canada.

		(16) Except as disclosed in writing to the Lender, other than the CCAA Proceedings, there are no material actions, suits or proceedings by a governmental authority or, to the knowledge of each Loan Party, threatened against the Borrower.
14.	**Positive Covenants:**	Each Loan Party covenants and agrees to: (1) Pay all indebtedness due and payable in connection with the DIP Facility in accordance with the Loan Documents. (2) Maintain and preserve its existence, organization, and status in its jurisdiction of formation and in each jurisdiction in which it carries on business. (3) Subject to, and in accordance with, the Loan Documents, the CCAA Initial Order, the Cash Flow Projections, promptly pay and perform all debts, liabilities, and obligations, including, without limitation, obligations under Material Contracts. (4) Only make expenditures that are in accordance with the Cash Flow Projections, unless otherwise agreed by the Lender in advance. (5) File all tax returns which are or will be required to be filed by it. (6) Subject to the terms of the CCAA Initial Order and the Cash Flow Projections, pay all or remit when due all statutory remittances, withholdings, taxes, rent, wages, property taxes, and other amounts that, if unpaid, would or may have the benefit of an encumbrance or deemed trust ranking in priority or *pari passu* to the security of the Lender. (7) Comply with the terms of the CCAA Initial Order, the Cash Flow Projections, and all orders made in the CCAA Proceedings. (8) Update the Cash Flow Projections in accordance with the terms of this Agreement. (9) Use the proceeds from the DIP Facility only for the purposes stated in this Agreement. (10) Keep the Lender informed on a timely basis of material events in the conduct of the business and the CCAA Proceedings, subject to the terms of any orders issued by the Court from time to time. (11) Immediately advise the Lender of any event which constitutes an Event of Default. (12) Maintain adequate insurance of such kinds and in such amounts and against such risks as is customary for the business of the Loan Parties with financially sound and reputable insurers in coverage and scope acceptable to the Lender, with the Lender noted as first loss payee on

		property insurance policies and additional insured on liability insurance policies. (13) Subject to the terms of the CCAA Initial Order, comply with all Applicable Laws. (14) Maintain all licenses required for the operation of their business in good standing. (15) Fully cooperate with each party conducting any field exam or due diligence on behalf of the Lender and will permit and reimburse the Lender for all reasonable documented costs associated with any appraisals and/or field exams, in each case, acting reasonably. (16) Provide the Lender with all correspondence between the Borrower and any governmental authority in respect of their licenses from and after the date of the CCAA Initial Order.
15.	**Negative Covenants:**	Each Loan Party covenants and agrees with the Lender that it shall not, without the prior written consent of the Lender: (1) Make any payments or create, incur, or assume any obligations or indebtedness other than: (a) obligations or indebtedness existing as of the date of this Agreement and disclosed to the Lender, (b) obligations under the DIP Facility, (c) post-filing trade payables or other post-filing obligations incurred in the ordinary course of business in accordance with the CCAA Initial Order or any other order made in the CCAA Proceedings, and the Cash Flow Projections, or (d) obligations or indebtedness expressly provided for, or permitted to be incurred, in the Cash Flow Projections, the CCAA Initial Order, or any other order of the CCAA Court. (2) Make any payment, including, without limitation, any payment of principal, interest, or fees, on account of pre-filing indebtedness or in respect of any other pre-filing liabilities, including payments with respect to pre-filing trade or unsecured liabilities of the Loan Parties, royalties, forward contracts or any similar arrangements, other than as required or permitted pursuant to the Cash Flow Projections or the CCAA Initial Order or any other order made in the CCAA Proceedings. (3) Terminate or amend any Material Contract if the effect of such termination or amendment would be a Material Adverse Effect. (4) Use or direct any Advances made under the DIP Facility to any other Affiliate or subsidiary of the Loan Parties, such that the use of proceeds is limited to Loan Parties.

		(5) Make or give any financial assurances, in the form of bonds, letter of credit, financial guarantees, or otherwise to any Person or Governmental Authority. (6) Create, incur, or permit to exist any liens, security interests, or encumbrances on any assets, property, and undertaking of any of the Loan Parties other than (a) liens, security interests or other encumbrances in existence on the date hereof; (b) the Priority Charges; (c) the KERP Charge; (d) the DIP Charge; and (e) the Bid Protections Charge. (7) Transfer, sell, lease, assign, or otherwise dispose of any of the property, assets or undertaking of any of the Loan Parties except for: (a) in the ordinary course of business; (b) in accordance with the Cash Flow Projections, the CCAA Initial Order, or any further orders in the CCAA Proceedings; or (c) the disposition of obsolete or worn-out equipment or assets consistent with past practice. (8) Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise. (9) Enter into any amalgamation, reorganization, liquidation, dissolution, winding up, consolidation or merger. (10) Cease (or threaten to cease) to carry on their business or activities as currently being conducted or modify or alter in any material manner the nature and type of their operations, business or the manner in which such business is conducted. (11) Declare or make (a) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities, or other property or otherwise); or (b) a retirement, redemption, purchase or repayment, or other acquisition of equity securities; or (c) any payment on account of indebtedness (including any payment of principal, interest, fees or other amounts); (a), (b) and (c) except as permitted in the Cash Flow Projections, the CCAA Initial Order, or any other order of the CCAA Court. (12) Consent to any order, or any change or amendment to any order, issued in the CCAA Proceedings, including any order which stays, reverses, appeals, vacates, discharges, terminates, or amends the CCAA Initial Order. (13) Seek or obtain any order from the Court that materially adversely affects the Lender, except with the prior written consent of the Lender. (14) Commence, continue, or seek court approval of any Plan or liquidation.

16.	**Reporting Requirements:**	The Loan Parties shall provide to the Lender: • **Weekly Cash Flow Results.** Prior to 5 p.m. (Toronto time) on the Thursday of each week, a cash flow results report, setting forth the Loan Parties: (a) actual receipts and disbursements for the prior week, and (b) the actual receipts and disbursements for the cumulative period, including a variance calculation as compared to the then approved Cash Flow Projection on a line-by-line basis. The Loan Parties shall provide an accompanying explanation to the Lender should there be an individual line variance in excess of 10%. • **Updated Cash Flow Projections**. Prior to 5 p.m. (Toronto time) on the first Thursday of every month, updated Cash Flow Projections. The Cash Flow Projections shall be certified by a senior officer of the Loan Party acceptable to the Lender, to be complete, true and accurate. • **Materials Filed in CCAA Proceedings**. Deliver to the Lender draft copies of any court materials to be filed by the Loan Parties with the CCAA Court, for review, comment and approval by the Lender not less than five (5) Business Days prior to the date of service and filing or, where it is not practically possible to do so at least five (5) Business Days prior to any such service or filing, as soon as possible prior to such service or filing. • **Default/Event of Default**. Prompt notice of a Default or Event of Default. • **Monthly Financials**. Within 10 days of the month end, the Borrower shall deliver to the Lender, in respect of the preceding month, (i) internal management prepared financial statements of the Loan Parties as at the end of such calendar month on an unconsolidated basis, (ii) bank statements for any Accounts, (iii) proof of all post-filing payments required to be made on all taxes owing by the Loan Parties, including excise tax that is due and payable; (iv) upon request, copies of all original final purchase orders, invoices, supply agreements etc., and (v) a cash reconciliation, reconciling all purchases, repayments, chargebacks, write-offs and any other transactions covering the prior calendar month. • **Other Information**. Promptly, from time to time, such other information as may be reasonably requested by the Lender including, without limitation regarding the business, assets, liabilities, operations, financial condition, and the CCAA Proceedings.
17.	**Events of Default:**	The occurrence of any one or more of the following shall constitute an event of default (each an "**Event of Default**") under this Agreement:

		(1)	The non-payment when due of any principal, interest, fees, or other amounts owing on account of the DIP Obligations to the Lender under this Agreement or any of the other Loan Documents.
		(2)	Borrowings of principal under the DIP Facility exceed $3,000,000 without the prior written consent of the Lender.
		(3)	If any representation or warranty made under this Agreement or in any of the other Loan Document is incorrect or misleading in any material respect, provided that, where capable of remedy, such breach remains unremedied for longer than five (5) Business Days following receipt of notice thereof.
		(4)	Any Loan Party fails to perform or observe any of its obligations or covenants under this Agreement or the other Loan Documents in any material respect, provided that where capable of remedy, such breach remains unremedied for longer than five (5) Business Days following receipt of notice thereof.
		(5)	If a proceeding is commenced or consented to by any Loan Party challenging the validity, priority, perfection, or enforceability of any of the Loan Documents.
		(6)	If the priority of the DIP Charge set out in the CCAA Initial Order is varied without the consent of the Lender.
		(7)	If the CCAA Initial Order (or the Monitor's appointment thereunder) is at any time stayed, reversed, appealed, vacated, discharged, terminated, or amended, without the consent of the Lender.
		(8)	The termination of the CCAA Proceedings, the termination or expiration of the stay issued thereunder, or the granting of relief from such stay in favour of any Person not agreed to in advance by the Lender.
		(9)	The seeking or support by any of the Loan Parties of any court order (in the CCAA Proceedings or otherwise) which is adverse or potentially adverse to the interests of the Lender.
		(10)	The sale of all or substantially all the assets of any Loan Party that does not provide for the payment in full of the DIP Obligations, without the consent of the Lender, or the granting of any order permitting the same.
		(11)	The appointment of a receiver, receiver-manager, interim receiver, trustee in bankruptcy, proposal trustee, or similar trustee, without the consent of the Lender.
		(12)	If any of the business or property is seized, levied upon, subject to execution, garnishment, distress or similar process.
		(13)	If any of the Loan Parties, without the consent of the Lender, seek to obtain a "critical supplier charge" or

		similar protection pursuant to the CCAA in favour of any Person (provided that, the Loan Parties shall be permitted, with the consent of the Lender, to seek the ability to pay pre-filing obligations necessary for the preservation of their business pursuant to the CCAA Initial Order with the consent of the Monitor and subject to the Loan Documents), seek to continue the CCAA Proceedings under the jurisdiction of a court other than the CCAA Court, or seek to initiate any restructuring proceedings other than the CCAA Proceedings in any court or jurisdiction. (14) If any order is made by the CCAA Court that contravenes or is inconsistent with this Agreement or the other Loan Documents that materially adversely affect the interests of the Lender, as determined by the Lender in its reasonable discretion. (15) If there occurs, in the reasonable judgment of the Lender, a Material Adverse Effect since the date of making of the CCAA Initial Order. (16) If any Loan Party ceases or threatens to cease carrying on its business or files a petition or notice for the winding up, dissolution or liquidation of any Loan Party, or an order shall be made or a resolution shall be passed for the winding up, dissolution or liquidation of any Loan Party. (17) If the transactions contemplated under the agreement of purchase and sale dated March 31, 2026 (as may be amended from time to time) between the Loan Parties and the Lender fail to close on or before June 30, 2026, unless otherwise agreed to by the Lender. (18) For each Test Period: (a) if the sum of actual cumulative Operating Disbursements exceeds 115% of the sum of the cumulative Operating Disbursements set forth in the then approved Cash Flow Projections; or (b) if actual cumulative cash receipts is less than 85% of the cumulative cash receipts set forth in the then approved Cash Flow Forecast. (19) If any Loan Party or Affiliate (as defined in the *Canada Business Corporations Act*) of any Loan Party engages in business activities related to cannabis within the United States of America. (20) If any license, permit or approval required by any law, regulation or governmental policy or any governmental authority for the operation by any Loan Party of its business shall be withdrawn, materially altered in a manner detrimental to the business of such license holder, or cancelled. (21) If any Loan Party or Affiliate (as defined in the *Canada Business Corporations Act*) of any Loan Party engages

		in business activities related to cannabis outside of Canada. (22) Save and except for the Administrative Charge, the entry of an order of any court granting or approving the granting of any lien or encumbrance that is pari passu with or senior to the liens, charges and claims of the Lender securing the DIP Facility, including the DIP Charge, or any way affecting the relative priority of the DIP Charge.
18.	**Remedies:**	Upon the occurrence and continuance of an Event of Default, subject to the orders made in the CCAA Proceedings, the Lender may, upon written notice to the Loan Parties and the Monitor: (1) Declare that the commitment under the DIP Facility has expired and that the Lender's obligations to make any Advances or other amounts have terminated whereupon the Lender's obligations to make any Advances or other amounts shall terminate. (2) Declare the entire amount of the DIP Obligations under the DIP Facility to be immediately due and payable, without the necessity of presentment for payment, notice of non-payment or notice of protest (all of which are hereby expressly waived), whereupon all DIP Obligations shall become due and payable by the Loan Parties. (3) Set off or combine any amounts then owing by the Lender to a Loan Party against the DIP Obligations of such Loan Party to the Lender. (4) Subject to the applicable provisions of the CCAA Initial Order and any subsequent orders issued in the CCAA Proceedings, exercise any and all rights and remedies available to the Lender under Applicable Law, in equity, pursuant to this Agreement, the Loan Documents, or otherwise. (5) On prior written notice to the Loan Parties and the service list in the CCAA Proceedings of no less than five (5) Business Days, apply to the CCAA Court for an order for the appointment of a receiver, interim receiver, or receiver and manager of some or all of the assets of the Borrower or other Loan Parties, or a trustee in bankruptcy of the Borrower or other Loan Parties. (6) On prior written notice to the Loan Parties and the service list in the CCAA Proceedings of no less than five (5) Business Days, apply to the CCAA Court for an order, on terms acceptable to the Monitor and the Lender, providing the Monitor with the power, in the name of and on behalf of the Borrower and the other Loan Parties, to take all necessary steps in the CCAA Proceedings.

		No failure or delay on the part of the Lender in exercising any of its rights and remedies in respect of an Event of Default or otherwise shall be deemed to be a waiver of any kind.
19.	**Remedies Cumulative:**	The rights and remedies of the Lender under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise, including under the CCAA in the CCAA Proceedings.
20.	**Payments; Calculation and Payment of Interest:**	(1) Payments of principal, interest, fees, and all other amounts payable by the Borrower to the Lender under this Agreement shall be paid at or before 2:00 p.m. Toronto time on the day such payment is due. If any such day is not a Business Day, such amount shall be deemed for purposes of this Agreement to be due on the Business Day next following such day, and any such extension of time shall be included in the computation of any interest or fees payable under this Agreement. (2) All computations of interest or fees "per annum" for Advances shall be made on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed, and using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest. (3) For the purposes of the *Interest Act* (Canada) and disclosure under such Act, wherever interest to be paid under this Agreement is to be calculated on the basis of any period of time that is less than a calendar year (a "**Deemed Year**"), such rate of interest shall be expressed as a yearly rate by multiplying such rate of interest for the Deemed Year by the actual number of days in the calendar year in which the rate is to be ascertained and dividing it by the number of days in the Deemed Year.
21.	**Expenses:**	The Loan Parties shall pay, on demand, all fees, costs, and expenses of the Lender incurred in connection with the preparation, due diligence, negotiation, execution, amendment, administration, and enforcement of the DIP Facility, this Agreement, the other Loan Documents and with respect to the CCAA Proceedings (including, without limitation, all reasonable and documented legal fees, disbursements, and other charges).
22.	**Closing Date:**	The date of execution of this Agreement (the "**Closing Date**").
23.	**Governing Law and Forum:**	This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in such province. The Loan Parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the

		Province of Ontario with respect to all matters arising under or in connection with this Agreement.
24.	**Entire DIP Commitment Letter:**	The Loan Documents, the CCAA Initial Order, and any other order made in the CCAA Proceedings constitute the entire agreement between the parties relating to the subject matter hereof.
25.	**Joint & Several:**	The obligations of the Loan Parties hereunder are joint and several.
26.	**Indemnity:**	Each of the Loan Parties agree to indemnify and hold harmless the Lender and each of its Affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors, and representatives of it and its Affiliates (each, an "**Indemnified Party**") from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities (including the reasonable fees, disbursements, and other charges of counsel of any Indemnified Party) incurred in connection with the financing contemplated hereby or the use of proceeds of the DIP Facility and, upon demand, to pay and reimburse for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding, or claim, except to the extent they result from such Indemnified Party's gross negligence or willful misconduct as determined by a court of competent jurisdiction. The indemnities granted under this Agreement shall survive any termination of the DIP Facility.
27.	**Successors and Assigns:**	The provisions of this Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender, which consent may be refused in the sole and absolute discretion of the Lender. The Lender may, at any time before the occurrence of an Event of Default, assign or participate to one or more assignees or participants all or a portion of its rights and obligations under this Agreement to any other entity with the consent of the Monitor, and after the occurrence of an Event of Default, assign or participate to one or more assignees or participants all or a portion of its rights and obligations under this Agreement to any other entity on notice to the Loan Parties and the Monitor.
28.	**Further Assurances:**	Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and in each of the other Loan Documents and give effect to the transactions contemplated hereby and thereby.
29.	**Severance:**	If any term or provision of this Agreement is found, for any reason, to be invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision thereof or invalidate or render unenforceable such term or provision in any other jurisdiction.

30.	**Press Release**	The Loan Parties shall not issue any press releases or other public disclosure, other than Court documents approved in the manner set out herein, naming the Lender without its prior approval, acting reasonably, unless the Loan Parties are required to do so by applicable securities laws or other Applicable Law.
31.	**Amendments in Writing:**	This Agreement may not be amended or modified except pursuant to an agreement or agreements entered into by the parties hereto in writing.
32.	**Counterparts:**	This Agreement and any amendments, waivers, consents, or supplements hereto may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.
33.	**Accounting Terms and GAAP:**	Except as otherwise specifically provided herein, all accounting terms not specifically or completely defined in this Agreement shall be construed in conformity with, and all financial data required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP. All calculations for the purposes of determining compliance with the financial covenants contained herein shall be made on a basis consistent with GAAP in existence as at the Closing Date and used in preparation of the financial statements of the Loan Parties. In the event of a change in GAAP that results in a material change in the calculation of the financial ratios, covenants, standards or terms used in this Agreement, the Loan Parties and the Lender shall negotiate in good faith to revise (if appropriate) such covenants to equitably reflect such accounting changes with the intention that the criteria for evaluating the Loan Parties' financial condition shall be the same after such accounting changes as they were prior to such change in GAAP. Until the successful conclusion of any such negotiation and approval by the Lender, (a) all calculations of financial covenants and other standards and terms in this Agreement shall continue to be prepared, delivered and made on a basis consistent with GAAP in existence immediately prior to such adoption or change to GAAP, and (b) financial statements delivered by the Loan Parties pursuant to the terms of this Agreement shall be accompanied by a management-prepared reconciliation showing the adjustments made to calculate such financial covenants.
34.	**Currency:**	All dollar amounts referred to in this Agreement are denominated in Canadian dollars.
35.	**Notice:**	All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "**Notice**") shall be in writing and addressed to:

		For Ayurcann Inc. and Ayurcann Holdings Corp.: 1080 Brock Street Pickering, Ontario L1W 3H3 Attn: Igal Sudman / Roman Buzaker igal@ayurcann.com / roman@ayurcann.com With a copy to: 100 King Street West, Suite 3400 Toronto, Ontario M5X 1A4 Attn: Sean Zweig / Jesse Mighton zweigs@bennettjones.com / mightonj@bennettjones.com For Emblem Cannabis Corporation: Attn: Colby De Zen/Eddie Mattei Colby.dezen@redwhitebloom.com/eddie.mattei@redwhitebloom.com With a copy (that will not constitute notice) to: Attn: Jason Saltzman/Virginie Gauthier jason.saltzman@gowlingwlg.com / Virginie.gauthier@gowlingwlg.com In either case, with a copy to the Monitor: Alvarez & Marsal Canada Inc. 200 Bay Street, Suite 2900 Toronto, Ontario M5J 2J1 Attn: Joshua Nevsky / Steven Glustein jnevksy@alvarezandmarsal.com / sglustein@alvarezandmarsal.com With a copy (that will not constitute notice) to:

		80 Richmond Street West, Suite 1700 Toronto, Ontario M5H 2A4 Attn: Caitlin Fell / Natasha Rambaran cfell@reconllp.com / nrambaran@reconllp.com All Notices shall be delivered by personal delivery, nationally recognized overnight courier, or email of a scanned copy of a document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Notice is effective upon receipt by the receiving party and if the party giving the Notice has complied with the requirements of this Section.
36.	**No Novation**	The parties hereto acknowledge and agree that this Agreement is not intended to constitute, nor shall it be construed as, a novation of any of the obligations of the Loan Parties under the Original Agreement or any other Loan Document. The obligations of the Loan Parties under the Original Agreement, as amended and restated hereby, are in all respects continuing obligations, and the terms and provisions of the Original Agreement, as amended and restated by this Agreement and of each other Loan Document are in all respects ratified, confirmed, and continued in full force and effect. Without limiting the generality of the foregoing, the execution and delivery of this Agreement shall not (a) extinguish the obligations for the payment of money outstanding under the Original Agreement or discharge or release the lien, priority, or security interest of any Loan Document or any other security therefor or any guarantee thereof, (b) constitute a waiver of any default or event of default under the Original Agreement or any other Loan Document, or (c) in any way impair the rights and remedies of the Lender under any Loan Document.
37.	**Ratification and Confirmation of the Original Agreement**	Except as expressly modified, amended, and restated by this Agreement, all of the terms, covenants, conditions, representations, warranties, and all other provisions of the Original Agreement and each other Loan Document are hereby ratified, confirmed, and continued in full force and effect in accordance with their respective terms. Each Loan Party hereby confirms that the Original Agreement, as amended and restated by this Agreement, and each other Loan Document to which it is a party, constitutes the legal, valid and binding obligation of such Loan Party, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. Each reference in the Original Agreement to "this Agreement," "hereunder," "hereof," "herein," or

		words of similar import shall, from and after the effective date of this Agreement be deemed a reference to the Original Agreement as amended and restated hereby, and each reference in any other Loan Document to the Original Agreement shall, from and after the effective date of this Agreement, be deemed a reference to the Original Agreement as amended and restated hereby.

[SIGNATURE PAGE FOLLOWS]

Yours truly,

EMBLEM CANNABIS CORPORATION, as Lender

By: _____
Name: Edoardo Mattei
Title: Chief Financial Officer

The undersigned hereby acknowledge, accept, and agree to the terms and conditions of this Agreement (including Schedule A attached hereto) this ____ day of June, 2026.

AYURCANN INC., as Borrower

By: _____
Name: Igal Sudman
Title: Chief Executive Officer

AYURCANN HOLDINGS CORP., as Guarantor

By: _____
Name: Igal Sudman
Title: Chief Executive Officer

SCHEDULE A

This Schedule forms an integral part of the Agreement.

Defined Terms

In this Agreement (including in the preamble), the following terms shall have the meanings described below:

"**Accounts**"	has the meaning ascribed in section 11.
"**Administrative Charge**"	means the charge in the amount not to exceed $800,000 on all the present and future assets, property, and undertakings of the Loan Parties, real and personal, tangible and intangible, and whether now owned or that are hereafter acquired or otherwise become the property of a Loan Party, granted in favour of the Monitor, counsel to the Monitor, counsel to the Borrower, as more particularly described in the CCAA Initial Order.
"**Advances**"	has the meaning ascribed in section 6.
"**Affiliate**"	means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.
"**Applicable Law**"	means, in respect of any Person, property, transaction, or event, all applicable laws (including, without limitation, Cannabis Laws environmental, labour and employment, sanctions, anti-terrorist financing and anti-money laundering laws, and anti-corruption laws), statutes, rules, by-laws and regulations, and all applicable official directives, orders, judgments, and decrees of any Governmental Authority having the force of law.
"**BIA**"	means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.
"**Bid Protections Charge**"	means the super-priority Court-ordered charge in an amount sufficient to secure the Bid Protections (as defined in the Sale Process Approval Order dated February 13, 2026).
"**Borrower**"	has the meaning ascribed in section 1.
"**Business Day**"	means any day other than a Saturday, Sunday, or any other day in which banks in Toronto are not open for business.
"**Cannabis Laws**"	means the *Cannabis Licence Act*, 2018, S.O. 2018, c.12, Sched. 2, the *Cannabis Act*, S.C. 2018, c. 16 (Canada), the *Cannabis Control Act*, 2017, S.O. 2017, c. 26, Schedule 1 (Ontario), and any other applicable governing legislation and the regulations thereunder, all as may be amended, supplemented or replaced

	from time to time and those which regulate the sale or distribution of cannabis (in various forms), cannabinoid product or paraphernalia commonly associated with cannabis and/or related cannabinoid products.
"**Cash Flow Projections**"	means a statement indicating each Loan Party's' weekly cash-flow projections, in form, content and detail satisfactory to the Lender, including a break-down of the items comprising "Sales and Marketing", setting forth a rolling 13-week cash flow forecast of the cash receipts and cash disbursements of the Loan Parties from May 30, 2026, as such Cash Flow Projections may be updated, amended, or modified from time to time by the Loan Parties, subject to the written approval of the Monitor and the Lender.
"**CCAA**"	means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.
"**CCAA Court**"	means the Ontario Superior Court of Justice (Commercial List).
"**CCAA Initial Order**"	means the third amended and restated initial order in form and substance satisfactory to the Lender, to be issued by the CCAA Court.
"**CCAA Proceedings**"	means the proceedings under the CCAA under which the Loan Parties are applicants and debtor companies, bearing Court File No. CL-26-00000039-0000.
"**Closing Date**"	has the meaning ascribed in section 22.
"**Deemed Year**"	has the meaning ascribed in section 20.
"**Default**"	means any Event of Default or any condition or event which, after notice or lapse of time or both, would constitute an Event of Default.
"**DIP Charge**"	means the super-priority Court-ordered charge in an amount sufficient to secure all amounts payable to the Lender hereunder on all the present and future assets, property and undertaking of the Loan Parties, real and personal, tangible and intangible, and whether now owned or that are hereafter acquired or otherwise become the property of a Loan Party, granted in favour of the Lender, as more particularly described in the CCAA Initial Order.
"**DIP Facility**"	has the meaning ascribed in section 4.
"**DIP Obligations**"	has the meaning ascribed in section 10.
"DIP Order"	means an order of the Court approving this Agreement and the DIP Facility, and granting the DIP Charge, in form and substance satisfactory to the Lender and its counsel.
"**DIP Termination Date**"	has the meaning ascribed in section 8.
"**Directors' Charge**"	means a charge in an amount not to exceed $3,020,000 on all the present and future assets, property and undertaking of the Loan Parties, real and personal, tangible and intangible, and whether now owned or which are hereafter acquired or

	otherwise become the property of a Loan Party, granted in favour of the current and future directors and officers of the Loan Parties, as more particularly described in the CCAA Initial Order.
"**Event of Default**"	has the meaning ascribed in section 17.
"**Guarantor**"	has the meaning ascribed in section 2.
"**Governmental Authority**"	means any federal, provincial, state, municipal, local, or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.
"**Indemnified Party**"	has the meaning ascribed in section 26.
"**KERP**"	means the key employee retention plan described in the affidavit filed in connection with the CCAA Initial Order.
"**KERP Charge**"	means the charge in an amount not to exceed $66,250 on all the present and future assets, property, and undertaking of the Loan Parties, real and personal, tangible and intangible, and whether now owned or which are hereafter acquired or otherwise become the property of a Loan Party, granted in favour of the employees under the KERP.
"**Lender**"	has the meaning ascribed in section 3.
"**Loan Documents**"	has the meaning ascribed in section 10.
"**Loan Parties**"	has the meaning ascribed in section 2.
"**Material Adverse Effect**"	means any such matter, event, or circumstance that, individually, or in the aggregate could, in the opinion of the Lender, acting reasonably, be expected to have a material adverse effect on: (a) the business, assets, properties, liabilities (actual or contingent), operations, or condition (financial or otherwise) of the Borrower, individually, or the Loan Parties taken as a whole; (b) the validity or enforceability of the Loan Documents; (c) the perfection or priority of any encumbrance granted by any Loan Party or any other Person pursuant to the Loan Documents; or (d) the rights or remedies of the Lender under any Loan Document, taken as a whole; provided that, the commencement of the CCAA Proceedings does not constitute a Material Adverse Effect.
"**Material Contract**"	means any contract, licence, or agreement: (i) to which any Loan Party is a party or is bound; (ii) which is material to, or necessary in, the operation of the business of any Loan Party; and (iii) which a Loan Party cannot promptly replace by an alternative and comparable contract with comparable commercial terms.
"**Monitor**"	means Alvarez and Marsal Canada Inc., in its capacity as the court appointed monitor of the Loan Parties.
"**Notice**"	has the meaning ascribed in section 35.

"**Operating Disbursements**"	means all cash disbursements with the exception of any amounts subject to the Administrative Charge.
"**Person**"	means an individual, partnership, corporation, business trust, limited liability company, trust, unincorporated association, joint venture, estate, Governmental Authority, or other entity of whatever nature.
"**Plan**"	means any plan of compromise, arrangement, or reorganization filed pursuant to the CCAA or any other statute in any jurisdiction, in respect of any of the Loan Parties.
"**Priority Charges**"	means the Administrative Charge and the Directors' Charge.
"**Related Party**"	means with respect to any Person, such Person's Affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors, and representatives of it and its Affiliates.
"**Test Period**"	shall mean, every two-week period on a cumulative and rolling basis commencing at the end of Week 3 in the Cash Flow Projections. For greater certainty, the cash flow testing shall be on a cumulative basis such that the second test will be at the end of Week 5, which test will be for the prior cumulative four-week period, and so on thereafter.

THIS IS **EXHIBIT "K"** REFERRED TO IN THE AFFIDAVIT
OF IGAL SUDMAN, SWORN BEFORE ME
THIS 28TH DAY OF MAY, 2026.

SHAWN KIRKMAN
A Commissioner for taking Affidavits
(or as may be)

Amended and Restated Debtor-in-Possession Facility Commitment Letter

~~February 8~~**[June 1]**, 2026

Ayurcann Inc.
1080 Brock Road
Pickering, Ontario
L1W 3H3

Attention: Igal Sudman and Roman Buzaker

Re: DIP Facility Commitment Letter – Ayurcann Inc.

This binding term sheet (this "**Agreement**") amends and restates in its entirety the debtor-in-possession facility commitment letter (as amended by the first amending agreement dated May 14, 2026, the "**Original Agreement**") dated February 8, 2026 between the Loan Parties (as defined below) as borrower and guarantor and Auxly Cannabis Group ("**Auxly**") as lender, which Original Agreement was assigned from Auxly to the Lender pursuant to the terms of an assignment of indebtedness and security agreement dated **[June 1]**, 2026 among Auxly, as assignor, the Lender (as defined below), as assignee, the Borrower and the Guarantor.

The Lender hereby commits to provide the DIP Facility to the Borrower upon the terms and subject to the conditions set forth in this binding term sheet (this "**Agreement**") to fund the Borrower's restructuring efforts in the CCAA Proceedings under the jurisdiction of the CCAA Court. Capitalized terms used herein without express definition will have the same meanings as are assigned to them in Schedule A. Any word defined in or importing the singular number has the same meaning when used in the plural number, and *vice versa*.

1.	**Borrower:**	Ayurcann Inc., a Canadian federally incorporated company (the "**Borrower**").
2.	**Guarantor:**	Ayurcann Holdings Corp., an Ontario company (the "**Guarantor**"). The Borrower and the Guarantor are collectively referred to herein as the "**Loan Parties**". The Guarantor ~~hereby jointly and severally~~ guarantees in favour of the Lender the payment and performance of all DIP Obligations of the Borrower under or in connection with the DIP Facility.
3.	**Lender:**	~~Auxly~~Emblem Cannabis ~~Group Inc., an Ontario company~~Corporation (the "**Lender**").
4.	**DIP Credit Facility:**	A non-revolving loan up to the maximum principal amount of $~~2,000,000.00~~3,000,000 (the "**DIP Facility**").
5.	**Purpose:**	All Advances under the DIP Facility shall be used in accordance with the Cash Flow Projections for the following purposes and in the following order: (1) to fund the working capital (including working capital investments in inventory) and restructuring expenses of the Loan Parties necessary for the preservation of

		the business and assets of the Loan Parties during the CCAA Proceedings in accordance with the approved Cash Flow Projections; (2) to fund the reasonable and documented professional fees and disbursements associated with the CCAA Proceedings; (3) to fund the payment of interest, fees, and other amounts payable under this Agreement; and (4) to fund such other costs and expenses as agreed to in advance, in writing, by the Lender. For greater certainty, the Borrower may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Loan Parties without the prior written consent of the Lender and the Monitor; it being agreed by the Lender that such consent is not required for the Loan Parties to pay any amounts owing by the Loan Parties to the extent specifically identified in the Cash Flow Projections or the CCAA Initial Order. No proceeds of the Advances may be used for any purpose other than in accordance with the Cash Flow Projections except with the prior written consent of the Lender.
6.	**Availability:**	The DIP Facility shall be available in advances on the dates and in the amounts noted in the Cash Flow Projections, which must be approved by the Lender (the "**Advances**"). The Borrower must request an Advance to the Lender in writing as soon as practicable and on no less than three (3) Business Days notice. Advances shall be made directly to the Borrower provided written confirmation of each Advance is concurrently provided to the Monitor.
7.	**Interest:**	Amounts drawn and outstanding under the DIP Facility will bear interest at a rate per annum equal to 12%. Interest on the principal amount outstanding under the DIP Facility shall be capitalized monthly in arrears and payable on the DIP Termination Date (defined below). All interest shall be calculated on the basis of a 365-day year, in each case for the actual number of days elapsed in the period during which it accrues. All payments required to be made by the Borrower under or in respect of the DIP Facility shall be made free and clear of any withholding, set-off or other deduction.
8.	**Term and Repayment:**	The DIP Facility shall terminate on the earliest to occur of ("**DIP Termination Date**"): (1) the closing of the purchase and sale of all or substantially all of the assets or shares of the Borrower;

		(2) the effective date of any Plan; (3) the early termination of the DIP Facility in accordance with the terms of this Agreement by the Lender (in writing) upon the occurrence and during the continuation of an Event of Default; (4) unless otherwise consented to by the Lender, ~~May 15~~June 30, 2026; (5) the termination, expiration, or conversion of the CCAA Proceedings; and (6) payment in full of all amounts owing under the DIP Facility. Amounts outstanding under the DIP Facility, including all principal, accrued interest, fees, and other amounts then unpaid with respect thereto, shall be due and payable in full on the DIP Termination Date, and the DIP Facility shall be automatically terminated, with no further notice. The DIP Facility may be terminated with the consent of both the Lender and the Borrower, at which time, all accrued interest, principal, fees and expenses owing shall be paid in cash to the Lender on such DIP Termination Date.
9.	**Fees:**	**Commitment Fee** The Borrower shall pay a commitment fee in the amount of CA$~~40,000.00~~60,000, representing 2% of the maximum amount of the DIP Facility. The Commitment Fee shall be added to the principal amount outstanding under the DIP Facility and otherwise treated as an Advance hereunder. The Commitment Fee shall be earned on the issuance of the DIP Order and payable at the DIP Termination Date. For certainty, the Commitment Fee shall be secured by the DIP Charge.
10.	**Security:**	All present and future obligations (including without limitation, principal, interest, fees, and other expenses, collectively the "**DIP Obligations**") of the Loan Parties under or in connection with the DIP Facility, this Agreement, and other documents in connection with the DIP Facility (collectively, the "**Loan Documents**"), will be secured by the DIP Charge. The DIP Charge shall rank in priority to all other security interests, encumbrances, and charges save and except for the Administrative Charge. The DIP Charge shall be granted by the CCAA Court, on terms and conditions satisfactory to the Lender and the Loan Parties. The Lender may take such steps from time to time as it deems necessary or appropriate to file, register, record or perfect the DIP Charge or any of the Loan Documents.
11.	**Cash Management:**	Subject to the terms of the CCAA Initial Order: (1) Each Loan Party shall, at its own expense, enforce,

		collect, and receive all amounts owing on its accounts in the ordinary course of its business, and any proceeds it so receives shall be subject to the terms hereof. (2) Each Loan Party shall provide the Lender with a complete list of its bank accounts (the "**Accounts**"). (3) All Advances shall be deposited into a designated Account acceptable to the Borrower, the Monitor and the Lender; (4) Each Loan Party shall direct all debtors in the CCAA Proceedings to deposit any and all proceeds into the Accounts. (5) The Lender shall record the principal amount of the obligations owing to the Lender under this Agreement and the payment of principal and interest and all other amounts becoming due to the Lender. The Lender's accounts and records shall constitute, in the absence of manifest error, *prima facie* evidence of the amount of the obligations owing to the Lender under this Agreement.
12.	**Conditions Precedent to All Advances:**	Each Advance under the DIP Facility shall be subject to the satisfaction of the following conditions precedent: (1) The issuance of the DIP Order and the CCAA Initial Order (which may be one and the same Order) (i) shall have been issued by the CCAA Court authorizing and approving Advances under the DIP Facility and granting the DIP Charge, and (ii) shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the Lender, unless otherwise agreed by the Lender, acting reasonably. (2) The DIP Charge shall have priority over all liens or encumbrances granted by the Loan Parties against any of the undertaking, property or assets of the Loan Parties except for the Administrative Charge. (3) The Lender shall have received a drawdown request in accordance with the terms herein. ~~(4) The terms and conditions of the SISP, including the various relevant milestones of such SISP (the "**Milestone Dates**") and an outside date for the completion of the SISP approved by the Court, shall be in a form and substance satisfactory to the Monitor, and the Lender shall be satisfied, acting reasonably, with the terms of the SISP and the SISP Order.~~ ~~(5) The issuance of the SISP Order.~~ (4) ~~(6)~~ The Lender shall have received a certificate from an officer of each of the Loan Parties in form and substance satisfactory to the Lender, certifying that

		each of the representations and warranties made by any Loan Party under this Agreement are true and correct on and as of the date of the subsequent Advance. (5) ~~(7)~~ No Default or Event of Default shall have occurred and be continuing on the date of the Advance or will occur after giving effect to the Advance(s) requested. (6) ~~(8)~~ The Cash Flow Projections shall be approved in writing by the Lender, acting reasonably, and the timing and amount of each Advance shall be in accordance with the Cash Flow Projections. (7) ~~(9)~~ All fees and expenses owing to the Lender under the Loan Documents shall have been paid or added to the principal amount of the DIP Facility. (8) ~~(10)~~ This Agreement shall have been executed and delivered by the Loan Parties. (9) ~~(11)~~ The Lender is reasonably satisfied that all representations and warranties are true and correct as of the Closing Date, and that the Loan Parties have complied with all covenants under this Agreement. (10) ~~(12)~~ No Default or Event of Default shall have occurred and be continuing on the Closing Date. (11) ~~(13)~~ No Material Adverse Effect has occurred other than any Material Adverse Effect previously disclosed in writing to the Lender.
13.	**Representations and Warranties:**	Each Loan Party represents and warrants to the Lender, upon which the Lender is relying in entering into this and other Loan Documents, that: (1) Each Loan Party is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and each is qualified to carry on business in each jurisdiction in which it owns property or assets or carries on business (if any). (2) Each Loan Party has the power and authority to own or lease its property (if any), carry on business and enter into, execute, deliver, and, subject to the obtaining of the CCAA Initial Order and the terms thereof, perform its obligations under this Agreement and the other Loan Documents. (3) Each Loan Party has taken all corporate actions to authorize the execution, delivery, and performance of this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby. (4) Each Loan Party has good and marketable title to its property and assets (if any), and no person has any agreement, option, or right to acquire an interest in such property other than in the ordinary course of business of the Loan Parties.

		(5) Subject to the obtaining of the CCAA Initial Order and the terms thereof, all consents, notices, and approvals necessary for each Loan Party to enter into the transactions contemplated by this Agreement and the other Loan Documents to which it is a party have been obtained. (6) Subject to the obtaining of the CCAA Initial Order and the terms thereof, this Agreement and the other Loan Documents have been duly executed, delivered, and authorized by each Loan Party and constitute legal, valid, and binding obligations, enforceable in accordance with their respective terms. (7) Subject to the obtaining of the CCAA Initial Order and the terms thereof, each Loan Party is in compliance with, and operates its business (if any) in compliance with, all Applicable Laws, in all material respects, including with respect to licensing and regulatory requirements. (8) The Cash Flow Projections, and any forward-looking statements, estimates, and pro forma financial information furnished to the Lender pursuant to any Loan Document, are based on good-faith estimates and assumptions believed by the Loan Parties to be reasonable at the time made. (9) Each Loan Party has in full force and effect policies of insurance with sound and reputable insurance companies in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses. (10) Each Loan Party has filed in a timely fashion all required tax returns and reports (except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred). (11) The DIP Charge is effective to create, in favour of the Lender, a legal, valid, binding, and enforceable perfected security interest in the collateral and the proceeds and products noted therein, without the necessity of the execution of mortgages, security agreements, pledge agreements, financing statements, or other agreements or documents. (12) No Default or Event of Default has occurred. (13) The Loan Parties have not entered into any material transaction or other written contractual relationship with any Related Party except as publicly disclosed by the Borrower or disclosed to the Lender in writing prior to the effective date of this Agreement, other than currently existing employment arrangements. (14) All payments to directors and senior executives of the Loan Parties or any Related Party, whether under

		contract or otherwise, including bonus payments, transaction payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement have, to the extent known and contemplated for future payments, been included and specified in the Cash Flow Projections. (15) The Borrower only engages in business activities related to cannabis in Canada. (16) Except as disclosed in writing to the Lender, other than the CCAA Proceedings, there are no material actions, suits or proceedings by a governmental authority or, to the knowledge of each Loan Party, threatened against the Borrower.
14.	**Positive Covenants:**	Each Loan Party covenants and agrees to: (1) Pay all indebtedness due and payable in connection with the DIP Facility in accordance with the Loan Documents. (2) Maintain and preserve its existence, organization, and status in its jurisdiction of formation and in each jurisdiction in which it carries on business. (3) Subject to, and in accordance with, the Loan Documents, the CCAA Initial Order, the Cash Flow Projections, promptly pay and perform all debts, liabilities, and obligations, including, without limitation, obligations under Material Contracts. (4) Only make expenditures that are in accordance with the Cash Flow Projections, unless otherwise agreed by the Lender in advance. (5) File all tax returns which are or will be required to be filed by it. (6) Subject to the terms of the CCAA Initial Order~~,~~ and the Cash Flow Projections, pay all or remit when due all statutory remittances, withholdings, taxes, rent, wages, property taxes, and other amounts that, if unpaid, would or may have the benefit of an encumbrance or deemed trust ranking in priority or *pari passu* to the security of the Lender. (7) Comply with the terms of the CCAA Initial Order, the Cash Flow Projections, and all orders made in the CCAA Proceedings. (8) Update the Cash Flow Projections in accordance with the terms of this Agreement. (9) Use the proceeds from the DIP Facility only for the purposes stated in this Agreement. (10) Keep the Lender informed on a timely basis of material events in the conduct of the business and the CCAA Proceedings, subject to the terms of any orders issued by the Court from time to time.

		(11) Immediately advise the Lender of any event which constitutes an Event of Default. (12) Maintain adequate insurance of such kinds and in such amounts and against such risks as is customary for the business of the Loan Parties with financially sound and reputable insurers in coverage and scope acceptable to the Lender, with the Lender noted as first loss payee on property insurance policies and additional insured on liability insurance policies. (13) Subject to the terms of the CCAA Initial Order, comply with all Applicable Laws. (14) Maintain all licenses required for the operation of their business in good standing. (15) Fully cooperate with each party conducting any field exam or due diligence on behalf of the Lender and will permit and reimburse the Lender for all reasonable documented costs associated with any appraisals and/or field exams, in each case, acting reasonably. (16) Provide the Lender with all correspondence between the Borrower and any governmental authority in respect of their licenses from and after the date of the CCAA Initial Order. ~~(17) Carry out the SISP out in accordance with its terms, including satisfaction of all Milestone Dates.~~
15.	**Negative Covenants:**	Each Loan Party covenants and agrees with the Lender that it shall not, without the prior written consent of the Lender: (1) Make any payments or create, incur, or assume any obligations or indebtedness other than: (a) obligations or indebtedness existing as of the date of this Agreement and disclosed to the Lender, (b) obligations under the DIP Facility, (c) post-filing trade payables or other post-filing obligations incurred in the ordinary course of business in accordance with the CCAA Initial Order or any other order made in the CCAA Proceedings, and the Cash Flow Projections, or (d) obligations or indebtedness expressly provided for, or permitted to be incurred, in the Cash Flow Projections, the CCAA Initial Order, or any other order of the CCAA Court. (2) Make any payment, including, without limitation, any payment of principal, interest, or fees, on account of pre-filing indebtedness or in respect of any other pre-filing liabilities, including payments with respect to pre-filing trade or unsecured liabilities of the Loan Parties, royalties, forward contracts or any similar arrangements, other than as required or permitted pursuant to the Cash Flow Projections or the CCAA Initial Order or any other order made in the CCAA

		Proceedings~~, *provided that* the Loan Parties shall be permitted to pay the professional fees and expenses of the Lender in its capacity as holder of pre-filing indebtedness~~. (3) Terminate or amend any Material Contract if the effect of such termination or amendment would be a Material Adverse Effect. (4) Use or direct any Advances made under the DIP Facility to any other Affiliate or subsidiary of the Loan Parties, such that the use of proceeds is limited to Loan Parties. (5) Make or give any financial assurances, in the form of bonds, letter of credit, financial guarantees, or otherwise to any Person or Governmental Authority. (6) Create, incur, or permit to exist any liens, security interests, or encumbrances on any assets, property, and undertaking of any of the Loan Parties other than (a) liens, security interests or other encumbrances in existence on the date hereof; (b) the Priority Charges; (c) the KERP Charge; ~~and~~ (d) the DIP Charge; and (e) the Bid Protections Charge. (7) Transfer, sell, lease, assign, or otherwise dispose of any of the property, assets or undertaking of any of the Loan Parties except for: (a) in the ordinary course of business; (b) in accordance with the Cash Flow Projections, the CCAA Initial Order, or any further orders in the CCAA Proceedings; or (c) the disposition of obsolete or worn-out equipment or assets consistent with past practice. (8) Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise. (9) Enter into any amalgamation, reorganization, liquidation, dissolution, winding up, consolidation or merger. (10) Cease (or threaten to cease) to carry on their business or activities as currently being conducted or modify or alter in any material manner the nature and type of their operations, business or the manner in which such business is conducted. (11) Declare or make (a) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities, or other property or otherwise); or (b) a retirement, redemption, purchase or repayment, or other acquisition of equity securities; or (c) any payment on account of indebtedness (including any payment of principal, interest, fees or other amounts); (a), (b) and (c) except as permitted in the Cash Flow Projections, the CCAA Initial Order, or any other order of the CCAA Court.

		(12) Consent to any order, or any change or amendment to any order, issued in the CCAA Proceedings, including any order which stays, reverses, appeals, vacates, discharges, terminates, or amends the CCAA Initial Order. (13) ~~seek~~Seek or obtain any order from the Court that materially adversely affects the Lender, except with the prior written consent of the Lender. (14) ~~Except in accordance with the SISP Order, commence~~Commence, continue, or seek court approval of any Plan or liquidation.
16.	**Reporting Requirements:**	The Loan Parties shall provide to the Lender: • **Weekly Cash Flow Results.** Prior to 5 p.m. (Toronto time) on the Thursday of each week, a cash flow results report, setting forth the Loan Parties: (a) actual receipts and disbursements for the prior week, and (b) the actual receipts and disbursements for the cumulative period, including a variance calculation as compared to the then approved Cash Flow Projection on a line-by-line basis. The Loan Parties shall provide an accompanying explanation to the Lender should there be an individual line variance in excess of 10%. • **Updated Cash Flow Projections**. Prior to 5 p.m. (Toronto time) on ~~February 12, 2026 and~~ the first Thursday of ~~the~~every month ~~thereafter~~, updated ~~the~~ Cash Flow Projections. The Cash Flow Projections shall be certified by a senior officer of the Loan Party acceptable to the Lender, to be complete, true and accurate. • **Materials Filed in CCAA Proceedings**. Deliver to the Lender draft copies of any court materials to be filed by the Loan Parties with the CCAA Court, for review, comment and approval by the Lender not less than five (5) Business Days prior to the date of service and filing or, where it is not practically possible to do so at least five (5) Business Days prior to any such service or filing, as soon as possible prior to such service or filing. • **Default/Event of Default**. Prompt notice of a Default or Event of Default. • **Monthly Financials**. Within 10 days of the month end, the Borrower shall deliver to the Lender, in respect of the preceding month, (i) internal management prepared financial statements of the Loan Parties as at the end of such calendar month on an unconsolidated basis, (ii) bank statements for any Accounts, (iii) proof of all post-filing payments required to be made on all taxes owing by the Loan Parties, including excise tax that is due and payable; (iv) upon request, copies of all original final purchase orders, invoices, supply agreements etc., and (v) a cash

		reconciliation, reconciling all purchases, repayments, chargebacks, write-offs and any other transactions covering the prior calendar month. • **Other Information**. Promptly, from time to time, such other information as may be reasonably requested by the Lender including, without limitation regarding the business, assets, liabilities, operations, financial condition, and the CCAA Proceedings.
17.	**Events of Default:**	The occurrence of any one or more of the following shall constitute an event of default (each an "**Event of Default**") under this Agreement: (1) The non-payment when due of any principal, interest, fees, or other amounts owing on account of the DIP Obligations to the Lender under this Agreement or any of the other Loan Documents. ~~(2) The SISP Order has not been issued by the CCAA Court by February 13, 2026.~~ (2) ~~(3)~~ Borrowings of principal under the DIP Facility exceed $~~2.0 million~~3,000,000 without the prior written consent of the Lender. (3) ~~(4)~~ If any representation or warranty made under this Agreement or in any of the other Loan Document is incorrect or misleading in any material respect, provided that, where capable of remedy, such breach remains unremedied for longer than five (5) Business Days following receipt of notice thereof. (4) ~~(5)~~ Any Loan Party fails to perform or observe any of its obligations or covenants under this Agreement or the other Loan Documents in any material respect, provided that where capable of remedy, such breach remains unremedied for longer than five (5) Business Days following receipt of notice thereof. (5) ~~(6)~~ If a proceeding is commenced or consented to by any Loan Party challenging the validity, priority, perfection, or enforceability of any of the Loan Documents. (6) ~~(7)~~ If the priority of the DIP Charge set out in the CCAA Initial Order is varied without the consent of the Lender. (7) ~~(8)~~ If the CCAA Initial Order (or the Monitor's appointment thereunder) is at any time stayed, reversed, appealed, vacated, discharged, terminated, or amended, without the consent of the Lender. (8) ~~(9)~~ The termination of the CCAA Proceedings, the termination or expiration of the stay issued thereunder, or the granting of relief from such stay in favour of any Person not agreed to in advance by the Lender. (9) ~~(10)~~ The seeking or support by any of the Loan Parties

		of any court order (in the CCAA Proceedings or otherwise) which is adverse or potentially adverse to the interests of the Lender. (10) ~~(11)~~ The sale of all or substantially all the assets of any Loan Party that does not provide for the payment in full of the DIP Obligations, without the consent of the Lender, or the granting of any order permitting the same. (11) ~~(12)~~ The appointment of a receiver, receiver-manager, interim receiver, trustee in bankruptcy, proposal trustee, or similar trustee, without the consent of the Lender. (12) ~~(13)~~ If any of the business or property is seized, levied upon, subject to execution, garnishment, distress or similar process. (13) ~~(14)~~ If any of the Loan Parties, without the consent of the Lender, seek to obtain a "critical supplier charge" or similar protection pursuant to the CCAA in favour of any Person (provided that, the Loan Parties shall be permitted, with the consent of the Lender, to seek the ability to pay pre-filing obligations necessary for the preservation of their business pursuant to the CCAA Initial Order with the consent of the Monitor and subject to the Loan Documents), seek to continue the CCAA Proceedings under the jurisdiction of a court other than the CCAA Court, or seek to initiate any restructuring proceedings other than the CCAA Proceedings in any court or jurisdiction. (14) ~~(15)~~ If any order is made by the CCAA Court that contravenes or is inconsistent with this Agreement or the other Loan Documents that materially adversely affect the interests of the Lender, as determined by the Lender in its reasonable discretion. (15) ~~(16)~~ If there occurs, in the reasonable judgment of the Lender, a Material Adverse Effect since the date of making of the CCAA Initial Order. (16) ~~(17)~~ If any Loan Party ceases or threatens to cease carrying on its business or files a petition or notice for the winding up, dissolution or liquidation of any Loan Party, or an order shall be made or a resolution shall be passed for the winding up, dissolution or liquidation of any Loan Party. ~~(18) If the Loan Parties fail to meet the Milestone Dates.~~ (17) If the transactions contemplated under the agreement of purchase and sale dated March 31, 2026 (as may be amended from time to time) between the Loan Parties and the Lender fail to close on or before June 30, 2026, unless otherwise agreed to by the Lender. (18) ~~(19)~~ For each Test Period: (a) if the sum of actual

		cumulative Operating Disbursements exceeds 115% of the sum of the cumulative Operating Disbursements set forth in the then approved Cash Flow Projections; or (b) if actual cumulative cash receipts is less than 85% of the cumulative cash receipts set forth in the then approved Cash Flow Forecast. (19) ~~(20)~~ If any Loan Party or Affiliate (as defined in the *Canada Business Corporations Act*) of any Loan Party engages in business activities related to cannabis within the United States of America. (20) ~~(21)~~ If any license, permit or approval required by any law, regulation or governmental policy or any governmental authority for the operation by any Loan Party of its business shall be withdrawn, materially altered in a manner detrimental to the business of such license holder, or cancelled. (21) ~~(22)~~ If any Loan Party or Affiliate (as defined in the *Canada Business Corporations Act*) of any Loan Party engages in business activities related to cannabis outside of Canada. (22) ~~(23)~~ Save and except for the Administrative Charge, the entry of an order of any court granting or approving the granting of any lien or encumbrance that is pari passu with or senior to the liens, charges and claims of the Lender securing the DIP Facility, including the DIP Charge, or any way affecting the relative priority of the DIP Charge~~;~~.
18.	**Remedies:**	Upon the occurrence and continuance of an Event of Default, subject to the orders made in the CCAA Proceedings, the Lender may, upon written notice to the Loan Parties and the Monitor: (1) Declare that the commitment under the DIP Facility has expired and that the Lender's obligations to make any Advances or other amounts have terminated whereupon the Lender's obligations to make any Advances or other amounts shall terminate. (2) Declare the entire amount of the DIP Obligations under the DIP Facility to be immediately due and payable, without the necessity of presentment for payment, notice of non-payment or notice of protest (all of which are hereby expressly waived), whereupon all DIP Obligations shall become due and payable by the Loan Parties. (3) Set off or combine any amounts then owing by the Lender to a Loan Party against the DIP Obligations of such Loan Party to the Lender. (4) Subject to the applicable provisions of the CCAA Initial Order and any subsequent orders issued in the CCAA Proceedings, exercise any and all rights and remedies available to the Lender under Applicable Law, in

		equity, pursuant to this Agreement, the Loan Documents, or otherwise. (5) On prior written notice to the Loan Parties and the service list in the CCAA Proceedings of no less than five (5) Business Days, apply to the CCAA Court for an order for the appointment of a receiver, interim receiver, or receiver and manager of some or all of the assets of the Borrower or other Loan Parties, or a trustee in bankruptcy of the Borrower or other Loan Parties. (6) On prior written notice to the Loan Parties and the service list in the CCAA Proceedings of no less than five (5) Business Days, apply to the CCAA Court for an order, on terms acceptable to the Monitor and the Lender, providing the Monitor with the power, in the name of and on behalf of the Borrower and the other Loan Parties, to take all necessary steps in the CCAA Proceedings. No failure or delay on the part of the Lender in exercising any of its rights and remedies in respect of an Event of Default or otherwise shall be deemed to be a waiver of any kind.
19.	**Remedies Cumulative:**	The rights and remedies of the Lender under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise, including under the CCAA in the CCAA Proceedings.
20.	**Payments; Calculation and Payment of Interest:**	(1) Payments of principal, interest, fees, and all other amounts payable by the Borrower to the Lender under this Agreement shall be paid at or before 2:00 p.m. Toronto time on the day such payment is due. If any such day is not a Business Day, such amount shall be deemed for purposes of this Agreement to be due on the Business Day next following such day, and any such extension of time shall be included in the computation of any interest or fees payable under this Agreement. (2) All computations of interest or fees "per annum" for Advances shall be made on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed, and using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest. (3) For the purposes of the *Interest Act* (Canada) and disclosure under such Act, wherever interest to be paid under this Agreement is to be calculated on the basis of any period of time that is less than a calendar year (a "**Deemed Year**"), such rate of interest shall be expressed as a yearly rate by multiplying such rate of

		interest for the Deemed Year by the actual number of days in the calendar year in which the rate is to be ascertained and dividing it by the number of days in the Deemed Year.
21.	**Expenses:**	The Loan Parties shall pay, on demand, all fees, costs, and expenses of the Lender incurred in connection with the preparation, due diligence, negotiation, execution, amendment, administration, and enforcement of the DIP Facility, this Agreement, the other Loan Documents and with respect to the CCAA Proceedings (including, without limitation, all reasonable and documented legal fees, disbursements, and other charges). ~~For greater certainty, the DIP Facility shall not be used to fund any professional fees or similar costs associated with Lender (or a related party) acting as the Stalking Horse Bidder or participating in the SISP in any way~~
22.	**Closing Date:**	The date of execution of this Agreement (the "**Closing Date**").
23.	**Governing Law and Forum:**	This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in such province. The Loan Parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the Province of Ontario with respect to all matters arising under or in connection with this Agreement.
24.	**Entire DIP Commitment Letter:**	The Loan Documents, the CCAA Initial Order, and any other order made in the CCAA Proceedings constitute the entire agreement between the parties relating to the subject matter hereof.
25.	**Joint & Several:**	The obligations of the Loan Parties hereunder are joint and several.
26.	**Indemnity:**	Each of the Loan Parties agree to indemnify and hold harmless the Lender and each of its Affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors, and representatives of it and its Affiliates (each, an "**Indemnified Party**") from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities (including the reasonable fees, disbursements, and other charges of counsel of any Indemnified Party) incurred in connection with the financing contemplated hereby or the use of proceeds of the DIP Facility and, upon demand, to pay and reimburse for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding, or claim, except to the extent they result from such Indemnified Party's gross negligence or willful misconduct as determined by a court of competent jurisdiction. The indemnities granted under this Agreement shall survive any termination of the DIP Facility.
27.	**Successors and Assigns:**	The provisions of this Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan

		Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender, which consent may be refused in the sole and absolute discretion of the Lender. The Lender may, at any time before the occurrence of an Event of Default, assign or participate to one or more assignees or participants all or a portion of its rights and obligations under this Agreement to any other entity with the consent of the Monitor, and after the occurrence of an Event of Default, assign or participate to one or more assignees or participants all or a portion of its rights and obligations under this Agreement to any other entity on notice to the Loan Parties and the Monitor.
28.	**Further Assurances:**	Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and in each of the other Loan Documents and give effect to the transactions contemplated hereby and thereby.
29.	**Severance:**	If any term or provision of this Agreement is found, for any reason, to be invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision thereof or invalidate or render unenforceable such term or provision in any other jurisdiction.
30.	**Press Release**	The Loan Parties shall not issue any press releases or other public disclosure, other than Court documents approved in the manner set out herein, naming the Lender without its prior approval, acting reasonably, unless the Loan Parties are required to do so by applicable securities laws or other Applicable Law.
31.	**Amendments in Writing:**	This Agreement may not be amended or modified except pursuant to an agreement or agreements entered into by the parties hereto in writing.
32.	**Counterparts:**	This Agreement and any amendments, waivers, consents, or supplements hereto may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.
33.	**Accounting Terms and GAAP:**	Except as otherwise specifically provided herein, all accounting terms not specifically or completely defined in this Agreement shall be construed in conformity with, and all financial data required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP. All calculations for the purposes of determining compliance with the financial covenants contained herein shall be made on a basis consistent with GAAP in existence as at the Closing Date and used in preparation of the financial statements of the Loan Parties. In the event of a change in GAAP that results in a material change in the calculation of the

		financial ratios, covenants, standards or terms used in this Agreement, the Loan Parties and the Lender shall negotiate in good faith to revise (if appropriate) such covenants to equitably reflect such accounting changes with the intention that the criteria for evaluating the Loan Parties' financial condition shall be the same after such accounting changes as they were prior to such change in GAAP. Until the successful conclusion of any such negotiation and approval by the Lender, (a) all calculations of financial covenants and other standards and terms in this Agreement shall continue to be prepared, delivered and made on a basis consistent with GAAP in existence immediately prior to such adoption or change to GAAP, and (b) financial statements delivered by the Loan Parties pursuant to the terms of this Agreement shall be accompanied by a management-prepared reconciliation showing the adjustments made to calculate such financial covenants.
34.	**Currency:**	All dollar amounts referred to in this Agreement are denominated in Canadian dollars.
35.	**Notice:**	All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "**Notice**") shall be in writing and addressed to: For Ayurcann Inc. and Ayurcann Holdings Corp.: 1080 Brock Street Pickering, Ontario L1W 3H3 Attn: Igal Sudman / Roman Buzaker ~~igal@ayurcann.com~~igal@ayurcann.com / ~~roman@ayurcann.com~~roman@ayurcann.com With a copy to: 100 King Street West, Suite 3400 Toronto, Ontario M5X 1A4 Attn: Sean Zweig / Jesse Mighton ~~zweigs@bennettjones.com / mightonj@bennettjones.com~~ zweigs@bennettjones.com / mightonj@bennettjones.com For ~~Auxly~~Emblem Cannabis ~~Group Inc~~Corporation: ~~777 Richmond Street West, Unit 002~~ ~~Toronto, Ontario~~

		~~M6J 0C2~~ Attn: ~~Mike Lickver / Ron Fichter / Becky Olscher~~Colby De Zen/Eddie Mattei ~~mike@auxly.com / ron@auxly.com / rolscher@auxly.com~~ Colby.dezen@redwhitebloom.com/eddie.mattei@redwhitebloom.com With a copy (that will not constitute notice) to: Attn: Jason Saltzman/Virginie Gauthier jason.saltzman@gowlingwlg.com / Virginie.gauthier@gowlingwlg.com ~~181 Bay Street, Suite 1800~~ ~~Toronto, Ontario~~ ~~M5J 2T9~~ ~~Attn: Kyle Plunkett / Sherri Altshuler~~ ~~kplunkett@airdberlis.com / saltshuler@airdberlis.com~~ In either case, with a copy to the Monitor: Alvarez & Marsal Canada Inc. 200 Bay Street, Suite 2900 Toronto, Ontario M5J 2J1 Attn: Joshua Nevsky / Steven Glustein ~~jnevksy@alvarezandmarsal.com / sglustein@alvarezandmarsal.com~~ jnevksy@alvarezandmarsal.com / sglustein@alvarezandmarsal.com With a copy (that will not constitute notice) to: 80 Richmond Street West, Suite 1700 Toronto, Ontario M5H 2A4 Attn: Caitlin Fell / Natasha Rambaran ~~cfell@reconllp.com / nrambaran@reconllp.com~~ cfell@reconllp.com / nrambaran@reconllp.com All Notices shall be delivered by personal delivery, nationally recognized overnight courier, or email of a scanned copy of a document (with confirmation of transmission) or certified or

		registered mail (in each case, return receipt requested, postage prepaid). Notice is effective upon receipt by the receiving party and if the party giving the Notice has complied with the requirements of this Section.
36.	**No Novation**	The parties hereto acknowledge and agree that this Agreement is not intended to constitute, nor shall it be construed as, a novation of any of the obligations of the Loan Parties under the Original Agreement or any other Loan Document. The obligations of the Loan Parties under the Original Agreement, as amended and restated hereby, are in all respects continuing obligations, and the terms and provisions of the Original Agreement, as amended and restated by this Agreement and of each other Loan Document are in all respects ratified, confirmed, and continued in full force and effect. Without limiting the generality of the foregoing, the execution and delivery of this Agreement shall not (a) extinguish the obligations for the payment of money outstanding under the Original Agreement or discharge or release the lien, priority, or security interest of any Loan Document or any other security therefor or any guarantee thereof, (b) constitute a waiver of any default or event of default under the Original Agreement or any other Loan Document, or (c) in any way impair the rights and remedies of the Lender under any Loan Document.
37.	**Ratification and Confirmation of the Original Agreement**	Except as expressly modified, amended, and restated by this Agreement, all of the terms, covenants, conditions, representations, warranties, and all other provisions of the Original Agreement and each other Loan Document are hereby ratified, confirmed, and continued in full force and effect in accordance with their respective terms. Each Loan Party hereby confirms that the Original Agreement, as amended and restated by this Agreement, and each other Loan Document to which it is a party, constitutes the legal, valid and binding obligation of such Loan Party, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. Each reference in the Original Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of similar import shall, from and after the effective date of this Agreement be deemed a reference to the Original Agreement as amended and restated hereby, and each reference in any other Loan Document to the Original Agreement shall, from and after the effective date of this Agreement, be deemed a reference to the Original Agreement as amended and restated hereby.

[SIGNATURE PAGE FOLLOWS]

Yours truly,

~~AUXLY~~EMBLEM CANNABIS ~~GROUP INC.~~CORPORATION, as Lender

By: _____
Name: ~~Hugo Alves~~Edoardo Mattei
Title: Chief ~~Executive~~Financial Officer

The undersigned hereby acknowledge, accept, and agree to the terms and conditions of this Agreement (including Schedule A attached hereto) this ____ day of ~~February~~June, 2026.

AYURCANN INC., as Borrower

By: _____
Name: Igal Sudman
Title: Chief Executive Officer

AYURCANN HOLDINGS CORP., as Guarantor

By: _____
Name: Igal Sudman
Title: Chief Executive Officer

SCHEDULE A

This Schedule forms an integral part of the Agreement.

Defined Terms

In this Agreement (including in the preamble), the following terms shall have the meanings described below:

"**Accounts**"	has the meaning ascribed in section 11.
"**Administrative Charge**"	means the charge in the amount not to exceed $800,000 on all the present and future assets, property, and undertakings of the Loan Parties, real and personal, tangible and intangible, and whether now owned or that are hereafter acquired or otherwise become the property of a Loan Party, granted in favour of the Monitor, counsel to the Monitor, counsel to the Borrower, as more particularly described in the CCAA Initial Order.
"**Advances**"	has the meaning ascribed in section 6.
"**Affiliate**"	means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.
"**Applicable Law**"	means, in respect of any Person, property, transaction, or event, all applicable laws (including, without limitation, Cannabis Laws environmental, labour and employment, sanctions, anti-terrorist financing and anti-money laundering laws, and anti-corruption laws), statutes, rules, by-laws and regulations, and all applicable official directives, orders, judgments, and decrees of any Governmental Authority having the force of law.
"**BIA**"	means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.
"**Bid Protections Charge**"	means the super-priority Court-ordered charge in an amount sufficient to secure the Bid Protections (as defined in the Sale Process Approval Order dated February 13, 2026).
"**Borrower**"	has the meaning ascribed in section 1.
"**Business Day**"	means any day other than a Saturday, Sunday, or any other day in which banks in Toronto are not open for business.
"**Cannabis Laws**"	means the *Cannabis Licence Act*, 2018, S.O. 2018, c.12, Sched. 2, the *Cannabis Act*, S.C. 2018, c. 16 (Canada), the *Cannabis Control Act*, 2017, S.O. 2017, c. 26, Schedule 1

	(Ontario), and any other applicable governing legislation and the regulations thereunder, all as may be amended, supplemented or replaced from time to time and those which regulate the sale or distribution of cannabis (in various forms), cannabinoid product or paraphernalia commonly associated with cannabis and/or related cannabinoid products.
"**Cash Flow Projections**"	means a statement indicating each Loan ~~Parties~~Party's' weekly cash-flow projections, in form, content and detail satisfactory to the Lender, including a break-down of the items comprising "Sales and Marketing", setting forth a rolling 13-week cash flow forecast of the cash receipts and cash disbursements of the Loan Parties from ~~February 6~~May 30, 2026, as such Cash Flow Projections may be updated, amended, or modified from time to time by the Loan Parties, subject to the written approval of the Monitor and the Lender.
"**CCAA**"	means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.
"**CCAA Court**"	means the Ontario Superior Court of Justice (Commercial List).
"**CCAA Initial Order**"	means the third amended and restated initial order in form and substance satisfactory to the Lender, to be issued by the CCAA Court~~ on February 9, 2026 commencing the CCAA Proceedings with respect to the Loan Parties (as amended and restated from time to time), which amends and restates the initial order issued by the CCAA Court on January 30, 2026~~.
"**CCAA Proceedings**"	means the proceedings under the CCAA under which the Loan Parties are applicants and debtor companies, bearing Court File No. CL-26-00000039-0000.
"**Closing Date**"	has the meaning ascribed in section 22.
"**Deemed Year**"	has the meaning ascribed in section 20.
"**Default**"	means any Event of Default or any condition or event which, after notice or lapse of time or both, would constitute an Event of Default.
"**DIP Charge**"	means the super-priority Court-ordered charge in an amount sufficient to secure all amounts payable to the ~~Lenders~~Lender hereunder on all the present and future assets, property and undertaking of the Loan Parties, real and personal, tangible and intangible, and whether now owned or that are hereafter acquired or otherwise become the property of a Loan Party, granted in favour of the Lender, as more particularly described in the CCAA Initial Order.
"**DIP Facility**"	has the meaning ascribed in section 4.
"**DIP Obligations**"	has the meaning ascribed in section 10.
"**DIP Order**"	means an order of the Court approving this Agreement and the DIP Facility, and granting the DIP Charge, in form and substance satisfactory to the Lender and its counsel.
"**DIP Termination Date**"	has the meaning ascribed in section 8.

"**Directors' Charge**"	means a charge in an amount not to exceed $3,020,000 on all the present and future assets, property and undertaking of the Loan Parties, real and personal, tangible and intangible, and whether now owned or which are hereafter acquired or otherwise become the property of a Loan Party, granted in favour of the current and future directors and officers of the Loan Parties, as more particularly described in the CCAA Initial Order.
"**Event of Default**"	has the meaning ascribed in section 17.
"**Guarantor**"	has the meaning ascribed in section 2.
"**Governmental Authority**"	means any federal, provincial, state, municipal, local, or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.
"**Indemnified Party**"	has the meaning ascribed in section 26.
"**KERP**"	means the key employee retention plan described in the affidavit filed in connection with the CCAA Initial Order.
"**KERP Charge**"	means the charge in an amount not to exceed $66,250 on all the present and future assets, property, and undertaking of the Loan Parties, real and personal, tangible and intangible, and whether now owned or which are hereafter acquired or otherwise become the property of a Loan Party, granted in favour of the employees under the KERP.
"**Lender**"	has the meaning ascribed in section 3.
"**Loan Documents**"	has the meaning ascribed in section 10.
"**Loan Parties**"	has the meaning ascribed in section 2.
"**Material Adverse Effect**"	means any such matter, event, or circumstance that, individually, or in the aggregate could, in the opinion of the Lender, acting reasonably, be expected to have a material adverse effect on: (a) the business, assets, properties, liabilities (actual or contingent), operations, or condition (financial or otherwise) of the Borrower, individually, or the Loan Parties taken as a whole; (b) the validity or enforceability of the Loan Documents; (c) the perfection or priority of any encumbrance granted by any Loan Party or any other Person pursuant to the Loan Documents; or (d) the rights or remedies of the Lender under any Loan Document, taken as a whole; provided that, the commencement of the CCAA Proceedings does not constitute a Material Adverse Effect.
"**Material Contract**"	means any contract, licence, or agreement: (i) to which any Loan Party is a party or is bound; (ii) which is material to, or necessary in, the operation of the business of any Loan Party; and (iii) which a Loan Party cannot promptly replace by an alternative and comparable contract with comparable commercial terms.
~~"**Milestone Dates**"~~	

	~~has the meaning ascribed in section 12.~~
"**Monitor**"	means Alvarez and Marsal Canada Inc., in its capacity as the court appointed monitor of the Loan Parties.
"**Notice**"	has the meaning ascribed in section 35.
"**Operating Disbursements**"	means all cash disbursements with the exception of any amounts subject to the ~~Administration~~Administrative Charge.
"**Person**"	means an individual, partnership, corporation, business trust, limited liability company, trust, unincorporated association, joint venture, estate, Governmental Authority, or other entity of whatever nature.
"**Plan**"	means any plan of compromise, arrangement, or reorganization filed pursuant to the CCAA or any other statute in any jurisdiction, in respect of any of the Loan Parties.
"**Priority Charges**"	means the Administrative Charge and the Directors' Charge.
"**Related Party**"	means with respect to any Person, such Person's Affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors, and representatives of it and its Affiliates.
~~"**SISP**"~~	~~means a stalking horse sales and investment solicitation process.~~
~~"**SISP Order**"~~	~~means an order approving a SISP relating to the investment in the Borrower or any Loan Party and/or the sale of all or substantially all of the assets of the Borrower or any Loan Party, approving the Lender or its Affiliate as Stalking Horse Bidder (as defined in the SISP), which shall be in form and substance satisfactory to the Lender.~~
"**Test Period**"	shall mean, every two-week period on a cumulative and rolling basis commencing at the end of Week 3 in the Cash Flow Projections. For greater certainty, the cash flow testing shall be on a cumulative basis such that the second test will be at the end of Week 5, which test will be for the prior cumulative ~~five-week~~four-week period, and so on thereafter.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.: CL-26-00000039-0000 __

AND IN THE MATTER OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

AFFIDAVIT OF IGAL SUDMAN
(Sworn May 28, 2026)

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, ON M5X 1A4

Sean Zweig (LSO# 573071)
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Jamie Ernst (LSO# 88724A)
Email: ErnstJ@bennettjones.com

Shawn Kirkman (LSO# 92214U)
Email: KirkmanS@bennettjones.com

Lawyers for the Applicants

TAB 3

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 1ST
	)	
JUSTICE KIMMEL	)	DAY OF JUNE, 2026

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC. (collectively the "**Applicants**" and each an "**Applicant**")

THIRD AMENDED AND RESTATED INITIAL ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Igal Sudman sworn January 29, 2026 and the Exhibits thereto (the "**Sudman Affidavit**"), the affidavit of Igal Sudman sworn February 3, 2026 and the Exhibits thereto (the "**Second Sudman Affidavit**"), the affidavit of Igal Sudman sworn February 8, 2026 and the Exhibits thereto (the "**Third Sudman Affidavit**"), the affidavit of Igal Sudman sworn April 22, 2026, and the Exhibits thereto (the "**Fourth Sudman Affidavit**"), the affidavit of Igal Sudman sworn May 28, 2026 (the "**Fifth Sudman Affidavit**"), the consent of Alvarez & Marsal Canada Inc. ("**A&M**") to act as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), the Pre-Filing Report of A&M as the proposed Monitor dated January 29, 2026, the First Report of the Monitor dated February 6, 2026 (the "**First Report**"), the Second Report of the Monitor dated February 11, 2026, the Supplemental Report to the Second Report of the Monitor dated February 12, 2026, the Third Report of the Monitor dated April 24,

2026, and the Fourth Report of the Monitor dated [•], 2026, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the additional parties listed in Schedule "A" hereto (collectively, the "**Non-Applicant Stay Parties**" and together with the Applicants, the "**Ayurcann Entities**"), counsel for the Monitor, counsel for Auxly Cannabis Group Inc. (the "**DIP Lender**"), counsel for Emblem Cannabis Corporation (the "**Replacement DIP Lender**"), and such other counsel that were present, no one else appearing although duly served as appears from the Lawyer's Certificates of Service of Shawn Kirkman, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, for the avoidance of doubt, references in this Order to the "date of this Order", the "date hereof", or similar phrases mean January 30, 2026 (the "**Filing Date**"), being the date the Initial Order was granted by this Court.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS AND DECLARES** that each of the Applicants shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a

manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Sudman Affidavit or, with the consent of the Monitor and the DIP Lender, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall (i) not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, (ii) be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and (iii) be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement (as hereinafter defined) the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, or after the Filing Date:

(a) with the consent of the Monitor and the DIP Lender, amounts owing for goods and services actually supplied to the Applicants prior to the Filing Date up to a maximum amount of $800,000 in the aggregate, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the Business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect or enhance the value of the Property or the Business, (iii) making such payment is required to address regulatory

concerns necessary for the preservation of the Business, and (iv) the supplier or service provider is required to continue to provide goods or services to the Applicants after the Filing Date, including pursuant to the terms of this Order;

(b) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the Filing Date, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(c) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein or in the DIP Agreement, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) payment for goods or services actually supplied to the Applicants on or following the Filing Date.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, and (iv) all other amounts related to such deductions or employee wages payable for periods

following the Filing Date, and that are of a kind that could be subject to a demand under the statutory provisions specified in Paragraphs 6(3)(a) through (c) of the CCAA;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the Filing Date, or where such Sales Taxes were accrued or collected prior to the Filing Date but not required to be remitted until on or after the Filing Date;

(c) any taxes, duties or other payments required under the Cannabis Legislation (as defined below) (collectively, "**Cannabis Taxes**"), but only where such Cannabis Taxes are accrued following the Filing Date; and

(d) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the Filing Date, monthly on the first day of each month (but not in arrears) in the amount set out in the applicable lease or, with the consent of the Monitor and the DIP Lender, at such other time intervals and dates as may be agreed to between the applicable Applicant and landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the Filing Date shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein or required pursuant to the terms of the DIP Agreement, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, mortgages, charges or encumbrances upon or in respect of any of the Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Agreement, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $250,000 in the aggregate;

(b) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lender;

(c) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(d) pursue all restructuring options for the Applicants, including, without limitation, all avenues of refinancing of their Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

13. **THIS COURT ORDERS** that the applicable Applicant shall provide each relevant landlord with notice of such Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal

and, if the landlord disputes such Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the applicable Applicant, or by further Order of this Court upon application by the applicable Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If any Applicant disclaims a lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Subsection 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to such Applicant's claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (i) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the applicable Applicant and the Monitor 24 hours' prior written notice; and (ii) at the effective time of the disclaimer the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE AYURCANN ENTITIES OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including August 31, 2026, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of the Ayurcann Entities or the Monitor or their respective employees, directors, advisors, officers and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Ayurcann Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Ayurcann Entities, or their employees, directors, advisors, officers or representatives acting in such capacities, or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Ayurcann Entities and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Ayurcann Entities or the Monitor, or their respective employees, directors, officers, advisors and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Ayurcann Entities and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Ayurcann Entities to carry on any business which the Ayurcann Entities are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Ayurcann Entities, except with the written consent of the Ayurcann Entities and the Monitor, or leave of this Court.

NO PRE-FILING VS POST-FILING SET-OFF

18. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the Filing Date with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the Filing Date; or (b) are or may become due from the Applicants in respect of obligations arising prior to the Filing Date with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the Filing Date, in each case without the consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any person may want to make in seeking leave of the Court or following the granting of such leave.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the Ayurcann Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, accounting services, security services, insurance, transportation services, utility or other services to the Business or the Ayurcann Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Ayurcann Entities, and that the Ayurcann Entities shall be entitled to the continued use of their current premises, telephone numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Filing Date are paid by the Ayurcann Entities in accordance with normal payment practices of the Ayurcann Entities or such other practices as may be agreed upon by the supplier or service provider and each of the Ayurcann Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Filing Date, nor shall any Person be under any obligation on or after the Filing Date to advance or re-advance any monies or otherwise extend any credit to any of the Ayurcann Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Ayurcann Entities with respect to any claim against the directors or officers that arose before the Filing Date and that relates to any obligations of the Ayurcann Entities whereby the directors or officers are alleged under any

law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of any of the Applicants after the Filing Date, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

23. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $3,020,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 45 and 47 herein.

24. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. **THIS COURT ORDERS** that A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Ayurcann Entities' receipts and disbursements, Business and dealings with the Property and the Applicants' compliance with the Cash Flow Projections (as defined in the DIP Agreement), including the management and use of any funds advanced by the DIP Lender to the Applicants under the DIP Agreement;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicants, to the extent required by the Applicants, in their dissemination to the DIP Lender and its counsel of financial and other information in accordance with the DIP Agreement;

(d) advise the Applicants in their preparation of the Applicants' Cash Flow Projections and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel in accordance with the DIP Agreement;

(e) advise the Applicants in their development of the Plan (if any) and any amendments to the Plan;

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Ayurcann Entities, to the extent that is necessary to adequately assess the Ayurcann Entities' business and financial affairs or to perform its duties arising under this Order;

(h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(i) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of the Property or any assets, properties or undertakings of any of the Applicants, or the direct or indirect subsidiaries or affiliates of any of the Applicants, for which a permit or license is issued or required pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Criminal Code*, R.S.C. 1985, c. C-46, as amended, the *Excise Tax Act*, R.S.C. 1985, c. E. 15, the *Excise Act, 2001*, S.C. 2002, c. 22, as amended, the Ontario *Cannabis Licence Act*, *2018*, S.O. 2018, c. 12, Sched. 2, as amended, the Ontario *Cannabis Control Act*, *2017*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, Sched. 2, as amended or other such applicable federal, provincial or other legislation or regulations (collectively, the "**Cannabis Legislation**"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise. For greater certainty, nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

28. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to take Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection,

conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"); provided, however, that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants, including, without limitation, the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

30. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor its directors, officers, employees, counsel and other representatives acting in such capacities shall not incur any liability or obligation as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order including, without limitation, under any Cannabis Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings, whether incurred prior to, on, or subsequent to the Filing Date. The

Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis, or pursuant to such other arrangements as may be agreed to between the Applicants and such parties, and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants retainers *nunc pro tunc*, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $800,000 unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 45 and 47 hereof.

DIP FINANCING

34. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that the indebtedness under such credit facility shall not exceed $2,000,000, plus interest, fees and expenses in accordance with the DIP Agreement, unless permitted by further Order of this Court.

35. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated as of February 8, 2026 (the "**DIP Agreement**"), filed.

36. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender

under and pursuant to the DIP Agreement as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not exceed the amount of $2,000,000, plus interest, fees, costs or other charges in accordance with the DIP Agreement, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 45 and 47 hereof.

38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any definitive documents contemplated by the DIP Agreement;

(b) upon the occurrence of an event of default under the DIP Agreement or the DIP Lender's Charge, the DIP Lender, upon five (5) days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Agreement and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

39. **THIS COURT ORDERS** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any Plan filed by the Applicants under the CCAA, or any

proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the DIP Agreement.

40. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order or at law, the DIP Lender shall not incur any liability or obligation as a result of the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

REPLACEMENT DIP FINANCING

41. **THIS COURT ORDERS** that upon payment of the amount outstanding to the DIP Lender under the DIP Facility in accordance with the terms of an assignment and assumption agreement dated June 1, 2026 entered into between the DIP Lender and the Replacement DIP Lender, this Order shall be varied such that the DIP Lender shall be replaced by the Replacement DIP Lender, and to effect same the following amendments shall be made to this Order:

(a) all references to the "DIP Lender" shall be deleted and replaced with the "Replacement DIP Lender";

(b) paragraph 35 shall be deleted in its entirety and replaced with the following: "**THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the amended and restated debtor-in-possession facility commitment letter between the Applicants and the Replacement DIP Lender dated June 1, 2026 (the "**Amended and Restated DIP Agreement**"), filed".;

(c) all references to the "DIP Agreement" shall be deleted and replaced with the "Amended and Restated DIP Agreement"; and

(d) the reference to "$2,000,000" in paragraphs 34, 37 and 45 shall be deleted and replaced with "$3,000,000".

KEY EMPLOYEE RETENTION PLAN

42. **THIS COURT ORDERS** that the Key Employee Retention Plan (the "**KERP**"), as described in the Second Sudman Affidavit, is hereby approved and the Applicants are authorized

to make the payments contemplated thereunder in accordance with the terms and conditions of the KERP.

43. **THIS COURT ORDERS** that payments made by the Applicants pursuant to the KERP do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. **THIS COURT ORDERS** that the key employees referred to in the KERP (the "**Key Employees**") shall be entitled to the benefit of and are hereby granted a charge on the Property, which charge shall not exceed an aggregate amount of $66,250 (the "**KERP Charge**"), as security for amounts payable to the Key Employees pursuant to the KERP. The KERP Charge shall have the priority set out in paragraphs 45 and 47 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

45. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge, the Directors' Charge, the KERP Charge and the Bid Protections Charge (as defined in the Third Sudman Affidavit (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $800,000);

Second – DIP Lender's Charge (to the maximum amount of $2,000,000 plus accrued and unpaid interest, fees and expenses);

Third – Directors' Charge (to the maximum amount of $3,020,000);

Fourth – KERP Charge (to the maximum amount of $66,250); and

Fifth – Bid Protections Charge (to the maximum amount of $264,200).

46. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

47. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment.

48. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Charges, or further Order of this Court.

49. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which the applicable Applicant(s) is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the DIP Agreement; and

(c) the payments made by the Applicants pursuant to this Order or the DIP Agreement and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

50. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant's interest in such real property leases.

RELIEF FROM REPORTING AND FILING OBLIGATIONS

51. **THIS COURT ORDERS** that the decision by Ayurcann Holdings Corp. to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), RSO 1990, c S.5 and comparable statutes enacted by other provinces of Canada, and any rules, regulations and policies of the Canadian Securities Exchange and/or the Frankfurt Stock Exchange (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of Ayurcann Holdings Corp. failing to make any Securities Filings required by the Securities Provisions.

52. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of Ayurcann Holdings Corp. nor the Monitor shall have any personal liability for any failure by Ayurcann Holdings Corp. to make any Securities Filings required by the Securities Provisions during the Stay Period provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "**Regulators**") in the matter of regulating the conduct of market participants and to issue cease

trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

53. **THIS COURT ORDERS** that Ayurcann Holdings Corp. is hereby relieved of any obligation to call and hold an annual meeting of its shareholders until further Order of this Court.

STATUS QUO OF THE APPLICANTS' LICENCES

54. **THIS COURT ORDERS** that (i) the status quo in respect of the licences issued by Health Canada in accordance with the Cannabis Legislation and the excise licences issued by the Canada Revenue Agency (collectively, the "**Licences**") held by Ayurcann Inc. (in such capacity, the "**Licensed Applicant**") shall be preserved and maintained during the pendency of the Stay Period, including the Licensed Applicant's ability to process and sell cannabis inventory in the ordinary course under the Licences; and (ii) to the extent one or more of the Licences may expire during the Stay Period, the term of such Licences shall be deemed to be extended by a period equal to the Stay Period.

SERVICE AND NOTICE

55. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The Globe and Mail (National Edition)* a notice containing the information prescribed under the CCAA, and (ii) within five (5) days after the Filing Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names and addresses of individuals who are creditors publicly available unless otherwise ordered by this Court.

56. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List

website at https://www.ontariocourts.ca/scj/practice-directions/regional/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: www.alvarezandmarsal.com/Ayurcann.

57. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide or the CCAA is not practicable, the Applicants, the Monitor, and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants' creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown in the books and records of the Applicants and that any such service, distribution or notice by courier, personal delivery or facsimile or other electronic transmission shall be deemed to be received on the earlier of (a) the date of forwarding thereof, if sent by electronic message on or prior to 5:00 p.m. Eastern Standard Time (or on the next business day following the date of forwarding thereof if sent on a non-business day); (b) the next business day following the date of forwarding thereof if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. Eastern Standard Time, or (c) on the third (3rd) business day following the date of forwarding thereof, if sent by ordinary mail. Any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of Subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

58. **THIS COURT ORDERS** that the Monitor shall maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to this proceeding. Notwithstanding the foregoing, neither the Monitor nor its counsel shall have any liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

SEALING

59. **THIS COURT ORDERS** that Confidential Appendix "B" to the First Report is hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

60. **THIS COURT ORDERS** that each of the Applicants, the DIP Lender or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

61. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

62. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

63. **THIS COURT ORDERS** that each of the Applicants or the Monitor shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

64. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days'

notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

_____

Schedule "A"

Non-Applicant Stay Parties

1. Ayurcann Holding Corp.
2. Can Ayurcann Merger Sub Inc.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,* AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

THIRD AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicants

TAB 4

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	~~FRIDAY~~MONDAY, THE ~~13TH~~1ST
	)	
JUSTICE KIMMEL	)	DAY OF ~~FEBRUARY~~JUNE, 2026

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC. (collectively the "**Applicants**" and each an "**Applicant**")

~~SECOND~~THIRD AMENDED AND RESTATED INITIAL ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Igal Sudman sworn January 29, 2026 and the Exhibits thereto (the "**Sudman Affidavit**"), the affidavit of Igal Sudman sworn February 3, 2026 and the Exhibits thereto (the "**Second Sudman Affidavit**"), the affidavit of Igal Sudman sworn February 8, 2026 and the Exhibits thereto (the "**Third Sudman Affidavit**"), the affidavit of Igal Sudman sworn April 22, 2026, and the Exhibits thereto (the "**Fourth Sudman Affidavit**"), the affidavit of Igal Sudman sworn May 28, 2026 (the "**Fifth Sudman Affidavit**"), the consent of Alvarez & Marsal Canada Inc. ("**A&M**") to act as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), the Pre-Filing Report of A&M as the proposed Monitor dated January 29, 2026, the First Report of the Monitor dated February 6, 2026 (the "**First Report**"), the Second Report of the Monitor dated February 11, 2026~~ and~~, the Supplemental Report to the Second Report of the Monitor dated February 12, 2026, the Third Report of the Monitor dated April 24, 2026, and the Fourth Report of the Monitor dated [•], 2026, and on being advised that

the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the additional parties listed in Schedule "A" hereto (collectively, the "**Non-Applicant Stay Parties**" and together with the Applicants, the "**Ayurcann Entities**"), counsel for the Monitor, counsel for Auxly Cannabis Group Inc. (the "**DIP Lender**"), counsel for Emblem Cannabis Corporation (the "**Replacement DIP Lender**"), and such other counsel that were present, no one else appearing although duly served as appears from the Lawyer's Certificates of Service of Shawn Kirkman, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, for the avoidance of doubt, references in this Order to the "date of this Order", the "date hereof", or similar phrases mean January 30, 2026 (the "**Filing Date**"), being the date the Initial Order was granted by this Court.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS AND DECLARES** that each of the Applicants shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a

manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Sudman Affidavit or, with the consent of the Monitor and the DIP Lender, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall (i) not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, (ii) be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and (iii) be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement (as hereinafter defined) the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, or after the Filing Date:

(a) with the consent of the Monitor and the DIP Lender, amounts owing for goods and services actually supplied to the Applicants prior to the Filing Date up to a maximum amount of $800,000 in the aggregate, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the Business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect or enhance the value of the Property or the Business, (iii) making such payment is required to address regulatory

concerns necessary for the preservation of the Business, and (iv) the supplier or service provider is required to continue to provide goods or services to the Applicants after the Filing Date, including pursuant to the terms of this Order;

(b) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the Filing Date, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(c) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein or in the DIP Agreement, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) payment for goods or services actually supplied to the Applicants on or following the Filing Date.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, and (iv) all other amounts related to such deductions or employee wages payable for periods

following the Filing Date, and that are of a kind that could be subject to a demand under the statutory provisions specified in Paragraphs 6(3)(a) through (c) of the CCAA;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the Filing Date, or where such Sales Taxes were accrued or collected prior to the Filing Date but not required to be remitted until on or after the Filing Date;

(c) any taxes, duties or other payments required under the Cannabis Legislation (as defined below) (collectively, "**Cannabis Taxes**"), but only where such Cannabis Taxes are accrued following the Filing Date; and

(d) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the Filing Date, monthly on the first day of each month (but not in arrears) in the amount set out in the applicable lease or, with the consent of the Monitor and the DIP Lender, at such other time intervals and dates as may be agreed to between the applicable Applicant and landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the Filing Date shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein or required pursuant to the terms of the DIP Agreement, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, mortgages, charges or encumbrances upon or in respect of any of the Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Agreement, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $250,000 in the aggregate;

(b) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lender;

(c) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(d) pursue all restructuring options for the Applicants, including, without limitation, all avenues of refinancing of their Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

13. **THIS COURT ORDERS** that the applicable Applicant shall provide each relevant landlord with notice of such Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal

and, if the landlord disputes such Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the applicable Applicant, or by further Order of this Court upon application by the applicable Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If any Applicant disclaims a lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Subsection 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to such Applicant's claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (i) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the applicable Applicant and the Monitor 24 hours' prior written notice; and (ii) at the effective time of the disclaimer the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE AYURCANN ENTITIES OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including ~~April 30~~August 31, 2026, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of the Ayurcann Entities or the Monitor or their respective employees, directors, advisors, officers and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Ayurcann Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Ayurcann Entities, or their employees, directors, advisors, officers or representatives acting in such capacities, or affecting the Business or the Property are hereby

stayed and suspended pending further Order of this Court or the written consent of the Ayurcann Entities and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Ayurcann Entities or the Monitor, or their respective employees, directors, officers, advisors and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Ayurcann Entities and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Ayurcann Entities to carry on any business which the Ayurcann Entities are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Ayurcann Entities, except with the written consent of the Ayurcann Entities and the Monitor, or leave of this Court.

NO PRE-FILING VS POST-FILING SET-OFF

18. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the Filing Date with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the Filing Date; or (b) are or may become due from the Applicants in respect of obligations arising prior to the Filing Date with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the Filing Date, in each case without the consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in

this Order shall prejudice any arguments any person may want to make in seeking leave of the Court or following the granting of such leave.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the Ayurcann Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, accounting services, security services, insurance, transportation services, utility or other services to the Business or the Ayurcann Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Ayurcann Entities, and that the Ayurcann Entities shall be entitled to the continued use of their current premises, telephone numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Filing Date are paid by the Ayurcann Entities in accordance with normal payment practices of the Ayurcann Entities or such other practices as may be agreed upon by the supplier or service provider and each of the Ayurcann Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Filing Date, nor shall any Person be under any obligation on or after the Filing Date to advance or re-advance any monies or otherwise extend any credit to any of the Ayurcann Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Ayurcann Entities with respect

to any claim against the directors or officers that arose before the Filing Date and that relates to any obligations of the Ayurcann Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of any of the Applicants after the Filing Date, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

23. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $3,020,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~44~~45 and ~~46~~47 herein.

24. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. **THIS COURT ORDERS** that A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor

with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Ayurcann Entities' receipts and disbursements, Business and dealings with the Property and the Applicants' compliance with the Cash Flow Projections (as defined in the DIP Agreement), including the management and use of any funds advanced by the DIP Lender to the Applicants under the DIP Agreement;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicants, to the extent required by the Applicants, in their dissemination to the DIP Lender and its counsel of financial and other information in accordance with the DIP Agreement;

(d) advise the Applicants in their preparation of the Applicants' Cash Flow Projections and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel in accordance with the DIP Agreement;

(e) advise the Applicants in their development of the Plan (if any) and any amendments to the Plan;

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Ayurcann Entities, to the extent that is necessary to adequately assess the Ayurcann

Entities' business and financial affairs or to perform its duties arising under this Order;

(h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(i) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of the Property or any assets, properties or undertakings of any of the Applicants, or the direct or indirect subsidiaries or affiliates of any of the Applicants, for which a permit or license is issued or required pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Criminal Code*, R.S.C. 1985, c. C-46, as amended, the *Excise Tax Act*, R.S.C. 1985, c. E. 15, the *Excise Act, 2001*, S.C. 2002, c. 22, as amended, the Ontario *Cannabis Licence Act*, *2018*, S.O. 2018, c. 12, Sched. 2, as amended, the Ontario *Cannabis Control Act*, *2017*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, Sched. 2, as amended or other such applicable federal, provincial or other legislation or regulations (collectively, the "**Cannabis Legislation**"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise. For greater certainty, nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

28. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to take Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"); provided, however, that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants, including, without limitation, the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

30. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor its directors, officers, employees, counsel and other representatives acting in such capacities shall not incur any liability or obligation as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order including, without limitation, under any Cannabis Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings, whether incurred prior to, on, or subsequent to the Filing Date. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis, or pursuant to such other arrangements as may be agreed to between the Applicants and such parties, and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants retainers *nunc pro tunc*, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $800,000 unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~44~~45 and ~~46~~47 hereof.

DIP FINANCING

34. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that the indebtedness under such credit facility shall not exceed $2,000,000, plus interest, fees and expenses in accordance with the DIP Agreement, unless permitted by further Order of this Court.

35. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated as of February 8, 2026 (the "**DIP Agreement**"), filed.

36. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not exceed the amount of $2,000,000, plus interest, fees, costs or other charges in accordance with the DIP Agreement, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~44~~45 and ~~46~~47 hereof.

38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any definitive documents contemplated by the DIP Agreement;

(b) upon the occurrence of an event of default under the DIP Agreement or the DIP Lender's Charge, the DIP Lender, upon five (5) days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Agreement and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

39. **THIS COURT ORDERS** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any Plan filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the DIP Agreement.

40. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order or at law, the DIP Lender shall not incur any liability or obligation as a result of the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

REPLACEMENT DIP FINANCING

41. **THIS COURT ORDERS** that upon payment of the amount outstanding to the DIP Lender under the DIP Facility in accordance with the terms of an assignment and assumption agreement dated June 1, 2026 entered into between the DIP Lender and the Replacement DIP Lender, this Order shall be varied such that the DIP Lender shall be replaced by the Replacement DIP Lender, and to effect same the following amendments shall be made to this Order:

(a) all references to the "DIP Lender" shall be deleted and replaced with the "Replacement DIP Lender";

(b) paragraph 35 shall be deleted in its entirety and replaced with the following: "**THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the amended and restated debtor-in-possession facility commitment letter between the Applicants and the Replacement DIP Lender dated June 1, 2026 (the "**Amended and Restated DIP Agreement**"), filed".;

(c) all references to the "DIP Agreement" shall be deleted and replaced with the "Amended and Restated DIP Agreement"; and

(d) the reference to "$2,000,000" in paragraphs 34, 37 and 45 shall be deleted and replaced with "$3,000,000".

KEY EMPLOYEE RETENTION PLAN

42. ~~41.~~ **THIS COURT ORDERS** that the Key Employee Retention Plan (the "**KERP**"), as described in the Second Sudman Affidavit, is hereby approved and the Applicants are authorized to make the payments contemplated thereunder in accordance with the terms and conditions of the KERP.

43. ~~42.~~ **THIS COURT ORDERS** that payments made by the Applicants pursuant to the KERP do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. ~~43.~~ **THIS COURT ORDERS** that the key employees referred to in the KERP (the "**Key Employees**") shall be entitled to the benefit of and are hereby granted a charge on the Property, which charge shall not exceed an aggregate amount of $66,250 (the "**KERP Charge**"), as security for amounts payable to the Key Employees pursuant to the KERP. The KERP Charge shall have the priority set out in paragraphs ~~44~~45 and ~~46~~47 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

45. ~~44.~~ **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge, the Directors' Charge, the KERP Charge and the Bid Protections Charge (as defined in the Third Sudman Affidavit (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $800,000);

Second – DIP Lender's Charge (to the maximum amount of $2,000,000 plus accrued and unpaid interest, fees and expenses);

Third – Directors' Charge (to the maximum amount of $3,020,000);

Fourth – KERP Charge (to the maximum amount of $66,250); and

Fifth – Bid Protections Charge (to the maximum amount of $264,200).

46. ~~45.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

47. ~~46.~~ **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment.

48. ~~47.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Charges, or further Order of this Court.

49. ~~48.~~ **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively,

an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which the applicable Applicant(s) is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the DIP Agreement; and

(c) the payments made by the Applicants pursuant to this Order or the DIP Agreement and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

50. ~~49.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant's interest in such real property leases.

RELIEF FROM REPORTING AND FILING OBLIGATIONS

51. ~~50.~~ **THIS COURT ORDERS** that the decision by Ayurcann Holdings Corp. to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), RSO 1990, c S.5 and comparable statutes enacted by other provinces of Canada, and any rules, regulations and policies of the Canadian Securities Exchange and/or the Frankfurt Stock Exchange (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange

from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of Ayurcann Holdings Corp. failing to make any Securities Filings required by the Securities Provisions.

52. ~~51.~~ **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of Ayurcann Holdings Corp. nor the Monitor shall have any personal liability for any failure by Ayurcann Holdings Corp. to make any Securities Filings required by the Securities Provisions during the Stay Period provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "**Regulators**") in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

53. ~~52.~~ **THIS COURT ORDERS** that Ayurcann Holdings Corp. is hereby relieved of any obligation to call and hold an annual meeting of its shareholders until further Order of this Court.

STATUS QUO OF THE APPLICANTS' LICENCES

54. ~~53.~~ **THIS COURT ORDERS** that (i) the status quo in respect of the licences issued by Health Canada in accordance with the Cannabis Legislation and the excise licences issued by the Canada Revenue Agency (collectively, the "**Licences**") held by Ayurcann Inc. (in such capacity, the ~~(~~"**Licensed Applicant**") shall be preserved and maintained during the pendency of the Stay Period, including the Licensed Applicant's ability to process and sell cannabis inventory in the ordinary course under the Licences; and (ii) to the extent one or more of the Licences may expire during the Stay Period, the term of such Licences shall be deemed to be extended by a period equal to the Stay Period.

SERVICE AND NOTICE

55. ~~54.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The Globe and Mail (National Edition)* a notice containing the information prescribed under the CCAA, and (ii) within five (5) days after the Filing Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names and addresses of individuals who are creditors publicly available unless otherwise ordered by this Court.

56. ~~55.~~ **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice-directions/regional/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: www.alvarezandmarsal.com/Ayurcann.

57. ~~56.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide or the CCAA is not practicable, the Applicants, the Monitor, and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants' creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown in the books and records of the Applicants and that any such service, distribution or notice by courier, personal delivery or facsimile or other electronic transmission shall be deemed to be received on the earlier of (a) the date of forwarding thereof, if sent by

electronic message on or prior to 5:00 p.m. Eastern Standard Time (or on the next business day following the date of forwarding thereof if sent on a non-business day); (b) the next business day following the date of forwarding thereof if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. Eastern Standard Time, or (c) on the third (3rd) business day following the date of forwarding thereof, if sent by ordinary mail. Any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of Subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

58. ~~57.~~ **THIS COURT ORDERS** that the Monitor shall maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to this proceeding. Notwithstanding the foregoing, neither the Monitor nor its counsel shall have any liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

SEALING

59. ~~58.~~ **THIS COURT ORDERS** that Confidential Appendix "B" to the First Report is hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

60. ~~59.~~ **THIS COURT ORDERS** that each of the Applicants, the DIP Lender or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

61. ~~60.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

62. ~~61.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in

carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

63. ~~62.~~ **THIS COURT ORDERS** that each of the Applicants or the Monitor shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

64. ~~63.~~ **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Schedule "A"

Non-Applicant Stay Parties

1. Ayurcann Holding Corp.
2. Can Ayurcann Merger Sub Inc.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,* AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

~~SECOND~~THIRD AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicants

TAB 5

Court File No. CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 1ST
	)	
JUSTICE KIMMEL	)	DAY OF JUNE, 2026

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC. (together the "**Applicants**" and each an "**Applicant**")

CLAIMS PROCEDURE ORDER

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**"), for an order (this "**Claims Procedure Order**") approving a procedure for the identification, quantification and resolution of certain claims of the Applicants' creditors, was heard this day by way of judicial videoconference via Zoom.

ON READING the affidavit of Igal Sudman sworn May 28, 2026 and the Exhibits thereto, the Fourth Report of Alvarez & Marsal Canada Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated May [●], 2026, and such other materials that were filed, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, and such other counsel that were present, no one else appearing although duly served as appears from the Lawyer's Certificates of Service of Shawn Kirkman, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated and this Motion is properly returnable today and hereby dispenses with further service or notice thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that, for the purposes of this Claims Procedure Order, in addition to the terms defined elsewhere herein, the following terms shall have the following meanings:

(a) "**Assessments**" means Claims of His Majesty the King in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of objection, notice of appeal, audit, investigation, demand or similar request from any taxation authority;

(b) "**Bar Date**" means the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, pursuant to the terms of this Claims Procedure Order;

(c) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, on which banks are generally open for business in Toronto, Ontario;

(d) "**Calendar Day**" means a day, including Saturday, Sunday or any statutory holiday in the Province of Ontario, Canada;

(e) "**CCAA Charges**" means the Administration Charge, the DIP Lender's Charge, the Directors' Charge, the KERP Charge and the Bid Protections Charge (each as defined in the Initial Order) and any other court-ordered charge over the Property (as defined in the Initial Order) of the Applicants that may be granted by the Court;

(f) "**CCAA Proceedings**" means the within proceedings commenced by the Applicants in this Court;

(g) "**Claim**" means:

(i) any right or claim of any Person against the Applicants (or either of them), whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, 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 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), in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the Filing Date and any other claims that would have been claims provable in bankruptcy had the Applicants (or either of them) become bankrupt on the Filing Date, including for greater certainty any Equity Claim, in each case, where such monies remain unpaid as of the date hereof (each, a "**Pre-Filing Claim**", and collectively, the "**Pre-Filing Claims**"); and

(ii) any right or claim of any Person against the Applicants (or either of them) in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Applicants (or either of them) to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by the Applicants (or either of them) on or after the Filing Date of any

contract, lease or other agreement or arrangement, whether written or oral (each, a "**Restructuring Period Claim**" and collectively, the "**Restructuring Period Claims**"),

including any Claim arising through subrogation against the Applicants (or either of them), provided however, that in any case "Claim" shall not include an Excluded Claim;

(h) "**Claimant**" means any Person having or asserting a Claim;

(i) "**Claims Bar Date**" means, in respect of a Pre-Filing Claim, 5:00 p.m. (Eastern Prevailing Time) on July 16, 2026, or such later date as may be ordered by the Court;

(j) "**Claims Officer**" means one or more individuals appointed in accordance with paragraph 23 of this Claims Procedure Order to act as a claims officer for the purposes of the Claims Procedure;

(k) "**Claims Package**" means a document package that contains a copy of the Instruction Letter, the Notice Letter and a Proof of Claim, and such other materials as the Monitor and the Applicants may consider appropriate or desirable;

(l) "**Claims Procedure**" means the procedures outlined in this Claims Procedure Order in connection with the identification, quantification and resolution of Claims against the Applicants (or either of them), as amended or supplemented by further Order of the Court;

(m) "**Classification**" means, with respect to a Claim, whether such claim is a Pre-Filing Claim, Restructuring Period Claim or Excluded Claim;

(n) "**Court**" means the Ontario Superior Court of Justice (Commercial List);

(o) "**DIP Agreement**" has the meaning set out in the Initial Order, and for greater certainty includes the Replacement DIP Agreement as such term is defined in the Initial Order;

(p) "**DIP Lender**" has the meaning set out in the Initial Order, and for greater certainty includes the Replacement DIP Lender as such term is defined in the Initial Order;

(q) "**Disputed Claim**" means a Claim that is validly disputed in accordance with this Claims Procedure Order and which remains subject to adjudication in accordance with this Claims Procedure Order;

(r) "**Equity Claim**" has the meaning set out in subsection 2(1) of the CCAA;

(s) "**Excluded Claim**" means:

(i) any Claim secured by any of the CCAA Charges, including any Claim of the DIP Lender with respect to any advances made under the DIP Agreement;

(ii) any intercompany claims solely as between the Applicants;

(iii) any claim enumerated in subsections 5.1(2) and 19(2) of the CCAA; and

(iv) any Excluded Claim arising through subrogation;

(t) "**Filing Date**" means January 30, 2026;

(u) "**Initial Order**" means the Initial Order of the Court dated January 30, 2026, as amended and restated by Orders of the Court dated February 9, 2026, February 13, 2026 and June 1, 2026, and as may be further amended, restated or varied from time to time;

(v) "**Instruction Letter**" means the instruction letter to Claimants, in substantially the form attached hereto as Schedule "A";

(w) "**Known Claimants**" means with respect to the Applicants (or either of them):

(i) any Person that the books and records of the Applicants disclose was owed monies by the Applicants (or either of them) as of the Filing Date, where such monies remain unpaid in full or in part as of the date hereof;

(ii) any Person who commenced a legal proceeding against the Applicants (or either of them) in respect of a Claim, which legal proceeding was commenced and served prior to the Filing Date; and

(iii) any other Person of whom the Applicants (or either of them) have knowledge as of the date hereof as being owed monies by the Applicants (or either of them), and for whom the Applicants have a current address or other contact information;

(x) "**Meeting**" means a meeting of the Claimants of the Applicants called for the purpose of considering and voting in respect of a Plan, if any;

(y) "**Monitor**" has the meaning set out in the recitals hereto;

(z) "**Monitor's Website**" means the website maintained by the Monitor at: https://www.alvarezandmarsal.com/Ayurcann;

(aa) "**Nature**" means, with respect to a Claim, whether such claim is an unsecured Claim, an unsecured Claim entitled to priority under the CCAA, a Secured Claim or an Equity Claim;

(bb) "**Notice Letter**" means the notice to Claimants for publication substantially in the form attached hereto as Schedule "B";

(cc) "**Notice of Acceptance, Revision or Disallowance**" means the notice, substantially in the form attached hereto as Schedule "D", which may be delivered by the Monitor to a Claimant and the applicable Applicant(s), accepting, revising or disallowing, in part or in whole, a Claim submitted by such Claimant for voting and/or distribution purposes;

(dd) "**Notice of Dispute of Revision or Disallowance**" means a notice in substantially the form attached hereto as Schedule "E", which may be delivered by a Claimant and/or the applicable Applicant(s) who received a Notice of Acceptance, Revision or Disallowance disputing the determination of the Claimant's Claim as set out in such Notice of Acceptance, Revision or Disallowance;

(ee) "**Person**" means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other corporate, executive, legislative, judicial, regulatory or administrative entity howsoever designated or constituted, including, without limitation, any present or former shareholder, supplier, customer, employee, agent, client, contractor, lender, lessor, landlord, sub-landlord, tenant, sub-tenant, licensor, licensee, partner or advisor;

(ff) "**Plan**" means any plan of compromise or arrangement or plan of reorganization that may be filed by or in respect of the Applicants, as may be amended, supplemented or restated from time to time in accordance with the terms thereof;

(gg) "**Pre-Filing Claim**" has the meaning ascribed to such term in the definition of "Claim" herein;

(hh) "**Proof of Claim**" means a proof of claim form in substantially the form attached hereto as Schedule "C", which when filed by any Claimant in connection with a Claim shall include all supporting documentation in respect of such Claim and its Classification, Nature and amount;

(ii) "**Restructuring Period Claim**" has the meaning ascribed to such term in the definition of "Claim" herein;

(jj) "**Restructuring Period Claims Bar Date**" means, in respect of a Restructuring Period Claim, the later of (i) the Claims Bar Date and (ii) 5:00 p.m. (Eastern Prevailing Time) on the date that is twenty (20) Business Days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim to a Claimant;

(kk) "**Secured Claim**" means that portion of a Claim that is (i) secured by security validly charging or encumbering property or assets of the Applicants (or either of them), including statutory and possessory liens that create security interests, taking into account the value of such collateral and the priority of such security, and (ii)

duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction as of the Filing Date; and

(ll) "**Service List**" means the service list maintained by the Monitor in respect of the CCAA Proceedings.

INTERPRETATION

3. **THIS COURT ORDERS** that all references to time herein shall mean Eastern Prevailing Time and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein. Any reference to an event occurring on a day that is not a Business Day shall mean the next following day that is a Business Day.

4. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation".

5. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes all genders.

GENERAL PROVISIONS

6. **THIS COURT ORDERS** that the Claims Procedure and the forms attached as schedules to this Claims Procedure Order are hereby approved. Notwithstanding the foregoing, the Monitor may, from time to time, make non-substantive changes to the forms as the Monitor may consider necessary or desirable, including the Instruction Letter, the Notice Letter, the Notice of Acceptance, Revision or Disallowance, the Proof of Claim and the Notice of Dispute of Revision or Disallowance.

7. **THIS COURT ORDERS** that the Monitor, in consultation with the Applicants, is hereby authorized to: (i) use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed; (ii) where the Monitor is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure Order as to the completion, execution and submission of such forms; (iii) request any further documentation from a Claimant that may be required to determine the validity, Classification, Nature and/or the amount of a Claim (in whole or in part); (iv) request that any

Claimant file a revised Proof of Claim; and (v) subject to the terms of this Claims Procedure Order, attempt to resolve and settle any issue arising in a Proof of Claim or in respect of a Claim.

8. **THIS COURT ORDERS** that all Claims shall be denominated in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate in effect at the Filing Date.

9. **THIS COURT ORDERS** that the amounts claimed in any Assessment, regardless of when the Assessment is issued, shall be subject to this Claims Procedure Order and there shall be no presumption of validity or deeming of the amount due in respect of amounts claimed in any Assessment.

10. **THIS COURT ORDERS** that copies of all forms delivered hereunder, as applicable, shall be maintained by the Monitor. The Monitor shall as soon as practicable provide copies of any Proofs of Claim and Notices of Dispute of Revision or Disallowance received, and any Notices of Acceptance, Revision or Disallowance sent, by the Monitor in connection with the Claims Procedure to counsel for the Applicants, Bennett Jones LLP.

ROLE OF THE MONITOR

11. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and any other Orders of the Court in the CCAA Proceedings, is hereby authorized, directed and empowered to implement the Claims Procedure provided for herein and to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order or incidental thereto.

12. **THIS COURT ORDERS** that the Monitor shall: (i) in carrying out the terms of this Claims Procedure Order, have all of the protections afforded to it by the CCAA, this Claims Procedure Order, the Initial Order, and any other Orders of the Court in the CCAA Proceedings, or as an officer of the Court, including the stay of proceedings in its favour provided pursuant to the Initial Order; (ii) incur no liability or obligation as a result of carrying out the provisions of this Claims Procedure Order, including in respect of its exercise of discretion as to the completion, execution or time of delivery of any documents to be delivered hereunder, other than in respect of gross negligence or wilful misconduct; (iii) be entitled to rely on the books and records of the

Applicants and any information provided by the Applicants (or either of them), all without independent investigation; (iv) not be liable for any claims or damages resulting from any errors or omissions in such books, records or information or in any information provided by any Claimant, except to the extent that the Monitor has acted with gross negligence or wilful misconduct; and (vi) be entitled to seek such assistance as may be reasonably required to carry out its duties and obligations pursuant to this Claims Procedure Order from the Applicants, including making such inquiries and obtaining such records and information as it deems appropriate in connection with the Claims Procedure.

13. **THIS COURT ORDERS** that the Applicants and their respective current and former employees, agents and representatives and any other Person given notice of this Claims Procedure Order shall fully cooperate with the Monitor in the exercise of its powers and the discharge of its duties and obligations under this Claims Procedure Order.

NOTICE TO CLAIMANTS

14. **THIS COURT ORDERS** that:

(a) the Monitor shall, no later than five (5) Business Days following the granting of this Claims Procedure Order or as soon as practicable thereafter, deliver on behalf of the Applicants to each of the Known Claimants a copy of the Claims Package;

(b) the Monitor shall cause a notice of the granting of this Claims Procedure Order and the Claims Procedure, to be published for at least one (1) Business Day, in *The Globe and Mail (National Edition)*;

(c) the Monitor shall post a copy of this Claims Procedure Order, the Applicants' Motion Record in respect of this Claims Procedure Order, the Claims Package and any other materials filed with the Court pertaining to this Claims Procedure Order on the Monitor's Website as soon as practicable after the date of this Claims Procedure Order and cause it to remain posted thereon at least until its discharge as Monitor of the Applicants;

(d) the Monitor shall deliver, as soon as reasonably possible following receipt of a request therefor, a copy of the Claims Package to any Person claiming to be a Claimant and requesting such material in writing; and

(e) any notices of disclaimer or resiliation delivered to potential Claimants by or on behalf of the Applicants (or either of them) after the date of this Claims Procedure Order shall be accompanied by a Claims Package and upon becoming aware of any other circumstance giving rise to a Restructuring Period Claim, the Monitor shall send a Claims Package to the applicable potential Claimant or may direct such potential Claimant to the documents posted on the Monitor's Website in respect of such Restructuring Period Claim.

15. **THIS COURT ORDERS** that the non-receipt of the Claims Package by any persons entitled to delivery of such materials shall not invalidate the Claims Procedure.

CLAIMS PROCEDURE FOR CLAIMANTS

A. Proofs of Claim and Claims Barred

16. **THIS COURT ORDERS** that every Person asserting any Claim against the Applicants (or either of them) shall set out its aggregate Claim in the applicable Proof of Claim, including all relevant supporting documentation, and deliver that Proof of Claim to the Monitor so that it is actually received by the Monitor by no later than: (i) in the event such Claim is a Pre-Filing Claim, the Claims Bar Date; or (ii) in the event such Claim is a Restructuring Period Claim, the Restructuring Period Claims Bar Date.

17. **THIS COURT ORDERS** that any Person wishing to assert one or more Claims shall include any and all Claims it asserts against the Applicants (or either of them) in a single Proof of Claim.

18. **THIS COURT ORDERS** that any Person that does not deliver a Proof of Claim in respect of a Claim in the manner required by this Claims Procedure Order so that it is actually received by the Monitor on or before the applicable Bar Date shall:

(a) not be entitled to attend or vote at a Meeting in respect of such Claim;

(b) not be entitled to receive any distribution in respect of such Claim pursuant to a Plan or otherwise;

(c) not be entitled to any further notice in the CCAA Proceedings (unless it has otherwise sought to be included on the Service List) with respect to, and not be entitled to participate as a Claimant or creditor in, the Claims Procedure or the CCAA Proceedings in respect of such Claim; and

(d) be and is hereby forever barred, estopped and enjoined from making or enforcing such Claim, and the Applicants shall have no liability whatsoever in respect of such Claim, and such Claim shall be and is hereby extinguished without any further act or notification.

B. Adjudication of Claims

19. **THIS COURT ORDERS** that the Monitor, with the assistance of, and in consultation with, the Applicants, shall review all Proofs of Claim received by the applicable Bar Date and the Monitor shall, in consultation with the Applicants, accept, revise and/or disallow, in whole or in part, the Classification, Nature and/or amount of each Claim therein for voting and/or distribution purposes. The Monitor shall notify each Claimant who has delivered a Proof of Claim by the applicable Bar Date as to whether such Claim as set out therein has been accepted, revised or disallowed, in whole or in part, by sending a Notice of Acceptance, Revision or Disallowance. The reasons for any revision or disallowance of a Claim, whether in whole or in part, shall be included in such Notice of Acceptance, Revision or Disallowance.

20. **THIS COURT ORDERS** that any Claimant who wishes to dispute a Notice of Acceptance, Revision or Disallowance sent pursuant to paragraph 19 of this Claims Procedure Order shall deliver a Notice of Dispute of Revision or Disallowance such that it is actually received by the Monitor by no later than 5:00 p.m. on the date that is fourteen (14) Calendar Days after the date the Monitor sends the Notice of Acceptance, Revision or Disallowance to the applicable Claimant.

21. **THIS COURT ORDERS** where a Claimant receives a Notice of Acceptance, Revision or Disallowance pursuant to paragraph 19 of this Claims Procedure Order and does not file a Notice

of Dispute of Revision or Disallowance by the time set out in paragraph 20 of this Claims Procedure Order, the Classification, Nature and amount of such Claimant's Claim for voting and distribution purposes shall be deemed to be as set out in the Notice of Acceptance, Revision or Disallowance and any and all of the Claimant's rights to dispute the Classification, amount and/or Nature of the Claim(s) set out in the Notice of Acceptance, Revision or Disallowance or to otherwise assert or pursue the Claim(s) in an amount that exceeds the amount set forth in the Notice of Acceptance, Revision or Disallowance shall be forever extinguished and barred without further act or notification.

D. Resolution of Claims

22. **THIS COURT ORDERS** that the Monitor, with the assistance of, and in consultation with, the Applicants, shall review all Notices of Dispute of Revision or Disallowance. If the Monitor, with the assistance of, and in consultation with, the Applicants, is unable to resolve a dispute regarding any Disputed Claim with a Claimant within a period or in a manner satisfactory to the Monitor, in consultation with the Applicants, the Monitor shall so notify the Applicants and the Claimant. Thereafter, the Monitor shall, in consultation with the Applicants, refer the Disputed Claim to: (i) a Claims Officer (if applicable pursuant to paragraph 23 of this Claims Procedure Order); (ii) the Court; or (iii) such alternative dispute resolution forum as may be ordered by the Court or agreed to by the Monitor, the Applicants and the applicable Claimant. The Claims Officer, the Court or the Person or Persons conducting the alternative dispute resolution proceeding, as the case may be, shall resolve the dispute.

F. Claims Officer

23. **THIS COURT ORDERS** that the determination to appoint a Claims Officer to adjudicate any Disputed Claim pursuant to paragraph 22 of this Claims Procedure Order shall be made by the Monitor in consultation with the Applicants. The Monitor or the Applicants are hereby authorized to bring a motion at any time to seek an Order of the Court appointing one or more Claims Officers in respect of any and all Disputed Claims. The Applicants shall pay the reasonable and documented professional fees and disbursements of any Claims Officer on presentation and acceptance of invoices from time to time. Any Claims Officer appointed in accordance with this Claims

Procedure Order shall be entitled to a reasonable retainer against his or her fees and disbursements which shall be paid upon request by the Applicants, with the consent of the Monitor.

24. **THIS COURT ORDERS** that, subject to further order of the Court, the Claims Officer shall determine the Classification, Nature and/or amount of each Disputed Claim that has been referred to such Claims Officer and in doing so, the Claims Officer shall be empowered to determine the process in which evidence may be brought before him or her as well as any other procedural matters which may arise in respect of the determination of any Disputed Claim.

25. **THIS COURT ORDERS** that the Monitor, the applicable Applicant(s) or the Claimant may appeal the Claims Officer's determination to this Court by serving upon the other (with a copy to the Monitor) and filing with this Court, within ten (10) Calendar Days of notification of the Claims Officer's determination of such Disputed Claim, a notice of motion to appeal such determination returnable on a date to be fixed by this Court. The notice of motion to appeal shall set out the grounds of appeal and the order sought on appeal. If a notice of motion is not filed within such period, then the Claims Officer's determination shall be deemed to be final and binding and shall determine such Claimant's Claim for voting and/or distribution purposes, and there shall be no further right of appeal, review or recourse from any party from the Claims Officer's final determination of the Disputed Claim. For greater certainty, any such appeal to this Court from the final decision of the Claims Officer shall be solely based upon the evidentiary record that was before the Claims Officer and shall not constitute a hearing *de novo*.

EXCLUDED CLAIMS

26. **THIS COURT ORDERS** that any Person holding an Excluded Claim shall not be required to file a Proof of Claim in respect of such Excluded Claim, and such Person shall be unaffected by this Claims Procedure Order in respect of such Excluded Claim.

SET-OFF

27. **THIS COURT ORDERS** that, in accordance with the provisions of the CCAA, the Applicants (or either of them) may set-off (whether by way of legal, equitable or contractual set-off) against payments or other distributions to be made pursuant to a Plan or otherwise to any Claimant, any claims of any nature whatsoever that such Applicant may have against such

Claimant; provided that, neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Applicants (or either of them) of any such claim that the Applicants (or either of them) may have against such Claimant.

NOTICE OF TRANSFEREES

28. **THIS COURT ORDERS** that if the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the Applicants (or either of them) shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until written notice of such transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Monitor in writing (copied to counsel for the Applicants, Bennett Jones LLP) to the assignee or transferee and the assignor or transferor, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Claimant" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to receiving written confirmation by the Monitor acknowledging such assignment or transfer. After the Monitor has delivered a written confirmation acknowledging the notice of the transfer or assignment of a Claim, the Applicants and the Monitor shall thereafter be required only to deal with the transferee or assignee and not the original holder of the Claim. A transferee or assignee of a Claim takes the Claim subject to any defences and rights of set-off to which the Applicants (or either of them) may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to the Applicants (or either of them). Reference to transfer in this Claims Procedure Order includes a transfer or assignment whether absolute or intended as security.

29. **THIS COURT ORDERS** that if a Claimant or any subsequent holder of a Claim, who in any such case has previously been acknowledged by the Monitor as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or

assignments. The Applicants and the Monitor shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim, provided such Claimant may, by notice in writing delivered to the Monitor and the Applicants, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Claimant or in accordance with the provisions of this Claims Procedure Order.

SERVICE AND NOTICE

30. **THIS COURT ORDERS** that the Applicants and the Monitor may, unless otherwise specified by this Claims Procedure Order, serve and deliver or cause to be served and delivered the Claims Package, and any letters, notices or other documents to the appropriate Claimants or any other interested Person by forwarding true copies thereof (including, in the case of electronic transmission, PDF copies) by prepaid ordinary mail, courier, personal delivery or email to such Persons or their counsel at the physical or electronic address, as applicable, last shown on the books and records of the Applicants or set out in such Claimant's Proof of Claim or Notice of Dispute of Revision or Disallowance, if one has been filed. Any such service and delivery by the Applicants or the Monitor shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario) and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by email before 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

31. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by a Claimant to the Monitor or the Applicants under this Claims Procedure Order shall be in writing in substantially the form, if any, provided for in this Claims Procedure Order and will be sufficiently given only if delivered by email, or if it cannot be delivered by email and the Monitor provides its written consent for delivery by an alternative method, to:

If to the Monitor:

Alvarez & Marsal Canada Inc., in its capacity as Monitor of the Applicants
200 Bay Street, Suite 2900
Toronto, Ontario M5J 2J1

Attention: Steven Glustein / Christian Vit
Email: sglustein@alvarezandmarsal.com / cvit@alvarezandmarsal.com

With a Copy to:

Reconstruct LLP
80 Richmond Street West, Suite 1700
Toronto, Ontario M5H 2A4

Attention: Caitlin Fell / Natasha Rambaran
Email: cfell@reconllp.com / nrambaran@reconllp.com

If to the Applicants:

c/o Bennett Jones LLP
3400 One First Canadian Place
Toronto, Ontario, M5X 1A4

Attention: Jesse Mighton / Jamie Ernst
Email: mightonj@bennettjones.com / ernstj@bennettjones.com

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof during normal business hours on a Business Day, or if delivered outside of normal business hours, the next Business Day.

32. **THIS COURT ORDERS** that the posting of materials on the Monitor's Website pursuant to paragraph 14(c) of this Claims Procedure Order and the mailing of the Claims Packages as set out in this Claims Procedure Order shall constitute good and sufficient notice to Claimants of the Bar Dates and the other deadlines and procedures set forth herein, and that no other form of notice or service need be given or made on any Person, and no other document or material need be served on any Person in respect of the Claims Procedure.

33. **THIS COURT ORDERS** that if during any period in which notices or other communications are being given pursuant to this Claims Procedure Order, a postal strike or postal work stoppage of general application should occur, such notices, notifications or other communications sent by ordinary mail and then not received shall not, absent further Order of this

Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or email in accordance with this Claims Procedure Order.

34. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is subsequently amended by further Order of the Court, the Applicants shall serve notice of such amendment on the Service List in the CCAA Proceedings and the Monitor shall post such further Order on the Monitor's Website and such posting shall constitute adequate notice to all Persons of such amended Claims Procedure Order.

MISCELLANEOUS

35. **THIS COURT ORDERS** that this Claims Procedure Order shall have full force and effect in all Provinces and Territories in Canada.

36. **THIS COURT ORDERS** that notwithstanding any other provisions of this Claims Procedure Order, the solicitation by the Monitor or the Applicants of Proofs of Claim, the delivery of a Claims Package to Known Claimants, and the filing by any Person of any Proof of Claim or Notice of Acceptance, Revision or Disallowance shall not, for that reason only, grant any Person any standing in the CCAA Proceedings or any rights under a Plan or otherwise.

37. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall prejudice the rights and remedies of any Persons under any applicable insurance policy or prevent or bar any Person from seeking recourse against or payment from the Applicants' insurance policy or policies that exist to protect or indemnify other Persons, whether such recourse or payment is sought directly by the Person asserting a Claim from the insurer or derivatively through the Applicants (or either of them); provided, however, that nothing in this Claims Procedure Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Claims Procedure Order limit, remove, modify or alter any defence to such Claim available to the insurer pursuant to the provisions of any insurance policy or at law; and further provided that any Claim or portion thereof for which the Person receives payment directly from, or confirmation that the Person is covered by, the Applicants' insurance policy or policies that exist to protect or indemnify other Persons shall not be recoverable as against the Applicants (or either of them).

38. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall constitute or be deemed to constitute an allocation or assignment of Claims into particular classes for the purpose of a Plan and the treatment of Claims, Excluded Claims, or any other claims and the classification of creditors for voting and distribution purposes, shall be subject to the terms of a Plan or further Order of the Court.

39. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to the Court to extend the time for any action which the Applicants are, or the Monitor is, required to take if reasonably required to carry out their respective duties and obligations pursuant to this Claims Procedure Order, to amend, vary, supplement or replace this Claims Procedure Order or for advice and directions concerning the discharge of their respective powers and duties under this Claims Procedure Order or the interpretation or application of this Claims Procedure Order.

40. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside Canada to give effect to this Claims Procedure Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Claims Procedure Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Claims Procedure Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Claims Procedure Order.

SCHEDULE "A"

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC. (together the "**Applicants**" and each an "**Applicant**")

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE

I. CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) dated June 1, 2026 (the "**Claims Procedure Order**"), Alvarez & Marsal Canada Inc., in its capacity as the Court-appointed monitor (in such capacity, the "**Monitor**") of the Applicants, has been authorized to conduct a claims procedure (the "**Claims Procedure**") with respect to claims against the Applicants.

Unless otherwise defined, all capitalized terms used herein shall have the meanings ascribed to them in the Claims Procedure Order.

The Claims Procedure Order, the Claims Package, including a Proof of Claim form, and related materials may be accessed on the Monitor's Website at: https://www.alvarezandmarsal.com/Ayurcann.

This letter provides instructions for responding to or completing the Proof of Claim or a Notice of Dispute of Revision or Disallowance, as applicable. Reference should be made to the Claims Procedure Order for a complete description of the Claims Procedure.

The Claims Procedure is intended for any Person with any Claims, other than Excluded Claims, of any kind or nature whatsoever against the Applicants, or either of them, whether liquidated, unliquidated, contingent or otherwise. Please review the enclosed material for the complete definitions of "**Claim**", "**Pre-Filing Claim**", and "**Restructuring Period Claim**" to which the Claims Procedure applies.

All notices and enquiries with respect to the Claims Procedure must be in writing and, where applicable, substantially in the form provided for in the Claims Procedure Order, and will be sufficiently given only if delivered by email, or if it cannot be delivered by email and the Monitor provides its written consent for delivery by an alternative method, to:

Alvarez & Marsal Canada Inc., in its capacity as Monitor of the Applicants
200 Bay Street, Suite 2900
Toronto, Ontario M5J 2J1

Attention: Steven Glustein / Christian Vit
Email: sglustein@alvarezandmarsal.com / cvit@alvarezandmarsal.com

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof during normal business hours on a Business Day or if delivered outside of normal business hours, the next Business Day.

II. FOR CLAIMANTS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against the Applicants, or either of them, you **MUST** file a Proof of Claim with the Monitor, which **MUST** include all supporting documentation in respect of such Claim and its Classification, Nature and amount.

All Proofs of Claim for Pre-Filing Claims, which for greater certainty are Claims against the Applicants (or either of them) arising prior to January 30, 2026 (the "**Filing Date**"), must be actually received by the Monitor **before 5:00 p.m. (Eastern Prevailing Time) on July 16, 2026** (the "**Claims Bar Date**").

All Proofs of Claim for Restructuring Period Claims, which for greater certainty are Claims arising out of the restructuring, disclaimer, resiliation, termination or breach by the Applicants (or either of them) on or after the Filing Date, of any contract, lease or other agreement or arrangement whether written or oral, must be actually received by the Monitor **by the later of (i) the Claims Bar Date, and (ii) 5:00 p.m. (Eastern Prevailing Time) on the date that is twenty (20) Business Days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim** (the "**Restructuring Period Claims Bar Date**").

PROOFS OF CLAIM MUST BE ACTUALLY RECEIVED BY THE APPLICABLE BAR DATE OR THE APPLICABLE CLAIM(S) WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan or otherwise in respect of such Claim.

All Claims denominated in foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate in effect on the Filing Date, which for United States dollars is USD 1.3562:CAD 1.

Additional Proof of Claim forms can be obtained by contacting the Monitor at the email address indicated above and providing particulars as to your name, address and email address. Further, Proofs of Claim and related materials may be accessed from the Monitor's Website at: https://www.alvarezandmarsal.com/Ayurcann.

SCHEDULE "B"

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC. (together the "**Applicants**" and each an "**Applicant**")

NOTICE LETTER FOR THE CLAIMS PROCEDURE

RE: NOTICE OF CLAIMS PROCEDURE, CLAIMS BAR DATE & RESTRUCTURING PERIOD CLAIMS BAR DATE

This notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) dated June 1, 2026 (the "**Claims Procedure Order**"), in the Applicants' proceedings under the *Companies' Creditors Arrangement Act* (Canada). Pursuant to the Claims Procedure Order, Alvarez & Marsal Canada Inc., in its capacity as the Court-appointed monitor (in such capacity, the "**Monitor**") of the Applicants, has been authorized to conduct a claims procedure (the "**Claims Procedure**") with respect to claims against the Applicants. To that end, the Monitor is required to send Claims Packages to, among others, the Applicants' Known Claimants. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Claims Procedure Order.

The Claims Procedure Order, the Claims Package, including a Proof of Claim form, and related materials may be accessed from the Monitor's Website at: https://www.alvarezandmarsal.com/Ayurcann.

I. SUBMISSION OF A PROOF OF CLAIM

All persons wishing to assert a Claim against the Applicants, or either of them, **MUST** file a Proof of Claim with the Monitor, which **MUST** include all supporting documentation in respect of such Claim and its Classification, Nature and amount.

THE CLAIMS BAR DATE is 5:00 p.m. (Eastern Prevailing Time) on July 16, 2026 (the "**Claims Bar Date**"). Proofs of Claim in respect of Pre-Filing Claims must be completed and filed with the Monitor on or before the Claims Bar Date.

THE RESTRUCTURING PERIOD CLAIMS BAR DATE is the later of (i) the Claims Bar Date and (ii) 5:00 p.m. (Eastern Prevailing Time) on the date that is twenty (20) Business Days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim (the "**Restructuring Period Claims Bar Date**"). Proofs of Claim in respect of Restructuring Period Claims must be completed and filed with the Monitor on or before the Restructuring Period Claims Bar Date.

PROOFS OF CLAIM MUST BE ACTUALLY RECEIVED BY THE MONITOR BY THE APPLICABLE BAR DATE OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan, if any, or otherwise in respect of such Claim.

Reference should be made to the Claims Procedure Order for the complete definitions of "**Claim**", "**Pre-Filing Claim**" and "**Restructuring Period Claim**" to which the Claims Procedure applies.

II. NOTICES AND ENQUIRIES

All notices and enquiries with respect to the Claims Procedure must be in writing and, where applicable, substantially in the form provided for in the Claims Procedure Order, and will be sufficiently given only if delivered by email, or if it cannot be delivered by email and the Monitor provides its written consent for delivery by an alternative method, to:

> Alvarez & Marsal Canada Inc., in its capacity as Monitor of the Applicants
> 200 Bay Street, Suite 2900
> Toronto, Ontario M5J 2J1
>
> Attention: Steven Glustein / Christian Vit
> Email: sglustein@alvarezandmarsal.com / cvit@alvarezandmarsal.com

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof during normal business hours on a Business Day or if delivered outside of normal business hours, the next Business Day.

The Monitor can be contacted by email at the above contact information for a copy of the Claims Package or for any other notices or enquiries with respect to the Claims Procedure.

SCHEDULE "C"

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC. (together the "**Applicants**" and each an "**Applicant**")

PROOF OF CLAIM

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim. All capitalized terms used but not defined herein have the meanings ascribed to them in the Claims Procedure Order dated June 1, 2026, granted in the Applicants' proceedings under the *Companies' Creditors Arrangement Act* (Canada). The Claims Procedure Order and related materials may be found on the Monitor's Website at https://www.alvarezandmarsal.com/Ayurcann.

I. PARTICULARS OF CLAIMANT:

1. Full Legal Name of Claimant:[1]

   _____ (the "**Claimant**")

2. Full Mailing Address of the Claimant:

   _____

   _____

   _____

3. Telephone Number: _____

4. Email Address: _____

5. Attention (Contact Person): _____

6. Have you acquired this Claim by assignment?

   Yes: ☐ No: ☐
   (if yes, attach documents evidencing assignment)

   If yes, Full Legal Name of Original Claimant(s): _____

[1] The full legal name is the name of the Claimant as of the Filing Date of January 30, 2026, notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred following such date.

II. PROOF OF CLAIM:

1. I,_____
(name of Claimant or representative of the Claimant if Claimant is not an individual), of

_____ do hereby certify:
(city and province)

(a) that I [check (✓) one]

☐ am the Claimant; OR

☐ am _____ (state position or title) of

_____

(name of Claimant)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) that complete documentation in support of the Claim referred to below is attached; and

(d) that one or more of the Applicants were and still are indebted to the Claimant as follows:[2]

III. SUBMISSION OF A PROOF OF CLAIM FOR PRE-FILING CLAIM(S):

Applicant	Pre-Filing Claim Amount	Whether Claim is Secured, Priority Unsecured, or Unsecured	Value of Security Held, if any:
Ayurcann Holdings Corp.			
Ayurcann Inc.			

[2] Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada daily average exchange rate in effect on January 30, 2026, which for United States dollars is USD 1.3562:CAD 1.

IV. SUBMISSION OF A PROOF OF CLAIM FOR RESTRUCTURING CLAIM(S):

Applicant	Restructuring Claim Amount	Whether Claim is Secured, Priority Unsecured, or Unsecured	Value of Security Held, if any:
Ayurcann Holdings Corp.			
Ayurcann Inc. and/or Ayurcann Holding Corp.			

V. PARTICULARS OF CLAIM

The particulars of the undersigned's total Claim (including Pre-Filing Claims and Restructuring Period Claims) are attached.

(Provide full particulars of the Claim and all supporting documentation, including any invoices, purchase orders, proof of delivery, calculations for the amount of the Claim, descriptions of transaction(s), agreement(s), or legal breach(es) giving rise to the Claim, including any Claim assignment/transfer agreement or similar document, if applicable, the name of any guarantor(s) which has guaranteed the Claim and a copy of such guarantee documentation, particulars and copies of any security and amount of Claim allocated thereto, and particulars of all credits, discounts, etc. claimed.)

VI. FILING OF CLAIM

For Pre-Filing Claims, this Proof of Claim **MUST** be actually received by the Monitor **before 5:00 p.m. (Eastern Prevailing Time) on July 16, 2026** (the "**Claims Bar Date**").

For Restructuring Period Claims, this Proof of Claim **MUST** be actually received by the Monitor **before the later of: (i) the Claims Bar Date and (ii) 5:00 p.m. (Eastern Prevailing Time) on the date that is twenty (20) Business Days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim** (the "**Restructuring Period Claims Bar Date**").

In either case, completed forms, notices and enquiries with respect to the Claims Procedure must be in writing and, where applicable, substantially in the form provided for in the Claims Procedure Order, and will be sufficiently given only if delivered by email, or if it cannot be delivered by email and the Monitor provides its written consent for delivery by an alternative method, to:

Alvarez & Marsal Canada Inc., in its capacity as Monitor of the Applicants
200 Bay Street, Suite 2900
Toronto, Ontario M5J 2J1

Attention: Steven Glustein / Christian Vit

Email: sglustein@alvarezandmarsal.com / cvit@alvarezandmarsal.com

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof during normal business hours on a Business Day or if delivered outside of normal business hours, the next Business Day.

FAILURE TO FILE YOUR PROOF OF CLAIM AS DIRECTED BY THE APPLICABLE BAR DATE WILL RESULT IN YOUR CLAIM BEING EXTINGUISHED AND FOREVER BARRED AND IN YOU BEING PREVENTED FROM MAKING OR ENFORCING A CLAIM AGAINST THE APPLICANTS (OR EITHER OF THEM).

DATED at _____ this _____ day of _____, 2026.

_____

Signature of Claimant or its Authorized Signatory

SCHEDULE "D"

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC. (together, the "**Applicants**")

NOTICE OF ACCEPTANCE, REVISION OR DISALLOWANCE

TO: **[Name and address of Claimant]** Reference #:

PLEASE TAKE NOTICE that this Notice of Acceptance, Revision or Disallowance is being sent pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated June 1, 2026 (the "**Claims Procedure Order**") in the Applicants' proceedings under the *Companies' Creditors Arrangement Act* (Canada). All capitalized terms not otherwise defined in this Notice of Acceptance, Revision or Disallowance shall have the meaning ascribed to them in the Claims Procedure Order, which is available on the Monitor's Website at: https://www.alvarezandmarsal.com/Ayurcann.

The Monitor, in consultation with the Applicants, has reviewed your Proof of Claim dated _____, 2026, and has accepted, revised or disallowed your Claim for the following reasons:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Subject to further dispute by you in accordance with the provisions of the Claims Procedure Order, your Claim will be as follows:

Amount of Claim as against [Insert name of applicable Applicant(s)] per Proof of Claim			**Amount allowed pursuant to this Notice of Acceptance, Revision or Disallowance[1]**	
	Secured	Unsecured	Amount allowed as secured	Amount allowed as unsecured
Pre-Filing Claim	$	$	$	$
Restructuring Claim	$	$	$	$
Total Claim	$	$	$	$

IF YOU INTEND TO DISPUTE THIS NOTICE OF REVISION OR DISALLOWANCE, you must by no later than 5:00 p.m. (Eastern Prevailing Time) on the day that is fourteen (14) Calendar Days after the date the Monitor sends this Notice of Acceptance, Revision or Disallowance, deliver a Notice of Dispute of Revision or Disallowance in the form attached hereto to the Monitor, which will be sufficiently delivered only if delivered by email, or if it cannot be delivered by email and the Monitor provides its written consent for delivery by an alternative method, to:

Alvarez & Marsal Canada Inc., in its capacity as Monitor of the Applicants
200 Bay Street, Suite 2900
Toronto, Ontario M5J 2J1

Attention: Steven Glustein / Christian Vit
Email: sglustein@alvarezandmarsal.com / cvit@alvarezandmarsal.com

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof during normal business hours on a Business Day or if delivered outside of normal business hours, the next Business Day.

Any Claimant who fails to deliver a Notice of Dispute of Revision or Disallowance by the date and time set out above in accordance with the Claims Procedure Order shall be deemed to accept the Classification, Nature and the amount of its Claim as set out in this Notice of Acceptance, Revision or Disallowance and the Claimant will have those rights set out in the Claims Procedure Order with respect to such Claim.

[1] Claims in a foreign currency have been converted to Canadian Dollars at the Bank of Canada daily average exchange rate in effect on January 30, 2026, which for United States dollars is USD 1.3562:CAD 1.

If you do not deliver a Notice of Dispute of Revision or Disallowance by the deadline stated above in accordance with the Claims Procedure Order, the Classification, amount and/or Nature of your Claim(s) shall be deemed to be as set out herein and all further rights to dispute the same shall be forever extinguished and barred.

IF YOU AGREE WITH THIS NOTICE OF ACCEPTANCE, REVISION OR DISALLOWANCE, there is no need to file anything further with the Monitor.

DATED this _____ day of _____, 2026.

Alvarez & Marsal Canada Inc.
solely in its capacity as Monitor of
the Applicants and not in its personal
or corporate capacity

Per: _____

SCHEDULE "E"

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC. (together the "**Applicants**" and each an "**Applicant**")

NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE

Reference #:

Capitalized terms not defined herein have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) dated June 1, 2026 (the "**Claims Procedure Order**") granted in the Applicants' proceedings under the *Companies' Creditors Arrangement Act* (Canada).

Pursuant to the Claims Procedure Order, I/we hereby give you notice of our intention to dispute the Notice of Acceptance, Revision or Disallowance dated _____ issued by the Monitor in respect of my/our Claim.

I. PARTICULARS OF DISPUTING PARTY

Full Legal Name:

_____

Full Mailing Address: _____

Telephone Number: _____

Email Address: _____

Attention (Contact Person): _____

Have you acquired this Claim by assignment?

Yes: □ No: □ (if yes, attach documents evidencing assignment)

If Yes, Full Legal Name of Original Claimant(s): _____

II. DISPUTE OF CLAIM SET OUT IN NOTICE OF ACCEPTANCE, REVISION OR DISALLOWANCE

The undersigned received a Notice of Acceptance, Revision or Disallowance and hereby disputes the Classification, amount and/or Nature of the Claim set out in the Notice of Acceptance, Revision or Disallowance and asserts the Claim(s) as set out in the following table:

Claim Against	Classification of Claim	Amount of Claim	Nature of Claim
[Insert name of appropriate party]	[Pre-Filing Claim / Restructuring Period Claim]	[Insert amount of Claim]	[Unsecured Claim / Priority Unsecured Claim / Secured Claim]

III. REASONS FOR DISPUTE

Provide full particulars below as to the reasons and basis for your dispute of the Classification, amount and/or Nature of your Claim as set out in the Notice of Acceptance, Revision or Disallowance, and provide all supporting documentation. This includes, without limitation, amounts, a description of the transaction(s) or agreement(s) giving rise to the Claim, the date and number of all invoices and supporting documentation, and particulars of all credits, discounts, rebates, interest, fees, penalties and similar items claimed. The particulars provided must support the value of the Claim as stated in the table above. You may attach a separate schedule if more space is required.

DATED this _____ day of _____, 2026.

_____
Name:
Title:

This Notice of Dispute of Revision or Disallowance **MUST** be delivered to the Monitor such that it is actually received by the Monitor by no later than **5:00 p.m. (Eastern Prevailing Time) on the day that is fourteen (14) Calendar Days after the date the Monitor sends the Notice of Acceptance, Revision or Disallowance**, and will be delivered only if delivered by email, or if it cannot be delivered by email and the Monitor provides its written consent for delivery by an alternative method, to:

Alvarez & Marsal Canada Inc., in its capacity as Monitor of the Applicants
200 Bay Street, Suite 2900
Toronto, Ontario M5J 2J1

Attention: Steven Glustein / Christian Vit
Email: sglustein@alvarezandmarsal.com / cvit@alvarezandmarsal.com

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof during normal business hours on a Business Day or if delivered outside of normal business hours, the next Business Day.

If a completed Notice of Dispute of Revision or Disallowance in respect of the Notice of Acceptance, Revision or Disallowance is not actually received by the Monitor by the dates set out in the Claims Procedure Order and described herein, you shall be forever barred from disputing the Classification, amount or Nature of the Claim and any Claim of a different Classification or Nature or in excess of the amount specified in the Notice of Acceptance, Revision or Disallowance shall be forever barred and extinguished. **IF A NOTICE OF DISPUTE OF ACCEPTANCE, REVISION OR DISALLOWANCE IS NOT ACTUALLY RECEIVED BY THE MONITOR WITHIN THE PRESCRIBED TIME PERIOD, THE CLAIM AS SET OUT IN THE NOTICE OF ACCEPTANCE, REVISION OR DISALLOWANCE SENT TO YOU WILL BE DEEMED TO BE THE ACCEPTED CLAIM AND WILL BE FINAL AND BINDING ON YOU FOR ALL PURPOSES**.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

CLAIMS PROCEDURE ORDER

BENNETT JONES LLP
3400 One First Canadian Place
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Lawyers for the Applicants

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF AYURCANN HOLDINGS CORP. and AYURCANN INC.

Court File No.: CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings Commenced in Toronto

MOTION RECORD
(Returnable June 1, 2026)

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