

**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
THE CANNABIST COMPANY HOLDINGS INC. AND
THE CANNABIST COMPANY HOLDINGS (CANADA) INC.**

(Applicants)

**FACTUM OF THE APPLICANTS
(Re: Delaware Sale Approval Order and Ohio Sale Approval Order)**

April 13, 2026

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Lee Nicholson LSO#: 66412I
Email: leenicholson@stikeman.com
Tel: +1 416-869-5230

Philip Yang LSO#: 82084O
Email: PYang@stikeman.com
Tel: +1 416-869-5593

Brittney Ketwaroo LSO#: 89781K
Email: bketwaroo@stikeman.com
Tel: +1 416-869-5524

Lawyers for the Applicants

TO: THE SERVICE LIST

PART I – OVERVIEW¹

1. The Applicants through the direct and indirect ownership of its Subsidiaries operate a fully-integrated cannabis business across nine markets in the United States where medical or adult-use cannabis is permitted by law. The Company has experienced operational and liquidity challenges due to, among other things, the unique regulatory landscape governing the cannabis industry in the United States.

2. The Company has undertaken substantial and sustained efforts over recent years to address its challenging operational environment and ongoing liquidity constraints. These efforts included multiple capital-raising initiatives and several strategic review processes. Most recently, following the completion of the CBCA Restructuring Transaction, the Company advanced its intended operational initiatives while also advancing a refreshed Strategic Review with the benefit of additional runway provided by the CBCA Restructuring Transaction. The Strategic Review continued through the summer of 2025 with a bid deadline in September for final bids in the Sales Process.

3. The Applicants now seek Court approval of the Delaware Transaction and the Ohio Transaction (together, the “**Transactions**”), which are products of the robust and competitive Sales Process conducted by Moelis and the Company, in consultation with the Company’s advisors and under the Special Committee’s independent oversight.

4. Both the Delaware Transaction and the Ohio Transaction represent the best available option in the circumstances for the Company and its stakeholders. The Transactions preserve the Company’s businesses in these markets as a going concern, maintaining critical relationships with regulators, patients/customers, suppliers, landlords, and local communities, and provide for the assumption of substantially all operating liabilities.

5. The Applicants are also seeking the limited Releases in favour of the Released Parties, who have made significant and meaningful contributions in connection with the Company’s significant efforts to address its liquidity and operational challenges leading up to the execution of the Delaware APA, the Ohio EPA, and the commencement of the CCAA Proceedings and the Chapter 15 Proceedings. The Releases are appropriately tailored in scope to the Transactions

¹ Capitalized terms used herein and not otherwise defined have the meanings ascribed to such terms in the Affidavit of Curt Kroll sworn March 23, 2026 (the “**First Kroll Affidavit**”), the Affidavit of Thomas Lynch sworn April 9, 2026 (the “**Lynch Affidavit**”), or the Affidavit of Grant Kassel sworn March 23, 2026 (the “**Kassel Affidavit**”), as applicable.

and related Strategic Review and are a critical component of the Delaware Transaction and the Ohio Transaction and will benefit creditors generally by reducing the potential for claims against the Released Parties while providing certainty and finality for the Released Parties in the most efficient and appropriate manner in the circumstances.

PART II – THE FACTS

6. The facts underlying this motion are more fully set out in the First Kroll Affidavit, the Lynch Affidavit, and the Kassel Affidavit.

A. Background

7. The Company operates a fully-integrated cannabis business across nine markets in the United States where medical or adult-use cannabis is legally permitted.² In recent years, the Company has undertaken significant efforts to address its operational and liquidity challenges, including the pursuit of multiple capital-raising initiatives, including equity financings and debt facilities, and has conducted a number of strategic review processes with the assistance of its financial and legal advisors.³

8. Despite the Company's significant efforts, a restructuring solution was not available in the circumstances. The Company therefore filed for CCAA protection on March 24, 2026, to complete the Sale Transactions and facilitate a Court-supervised orderly wind-down of the Company's operations in certain markets that are not subject to the Sale Transactions.⁴

B. The Refreshed Strategic Review

9. The most recent Strategic Review conducted by the Company involved a dual-track process – (a) the Sales Process, conducted with the assistance of Moelis, to explore the sale of the Company either as a whole or through strategic market divestitures and (b) a review, with the assistance of Moelis, of a stand-alone restructuring of the Company's business and capital structure. The dual-track process, conducted with the assistance of Moelis, was designed to be broad and flexible with the goal of providing the Company with the option to pursue a range of transactions. The Strategic Review benefitted from the additional runway provided by the CBCA

² First Kroll Affidavit at para. 6.

³ First Kroll Affidavit at para. 8.

⁴ First Kroll Affidavit at para. 15.

Restructuring Transaction.⁵

C. Conduct of the Sales Process

10. Moelis, in consultation with the Company and its other advisors and based off the prior processes conducted, initially targeted seventeen (17) potential strategic purchasers. On June 17, 2025, Moelis commenced its outreach efforts, including by providing each of these parties with an NDA, who were then provided with access to the VDR to conduct due diligence.⁶

11. Moelis received a total of twelve (12) LOIs by the Phase 1 Bid Deadline. The Company reviewed each of these LOIs with Moelis and its other advisors and determined that eleven (11) bidders should be permitted to proceed to Phase 2 of the Sales Process.⁷

12. Moelis received ten (10) final LOIs by the Phase 2 Bid Deadline of September 3, 2025, and six (6) additional bids following the Phase 2 Bid Deadline. Both before and after the Phase 2 Bid Deadline, Moelis continued to work with select bidders to improve bid terms.⁸

13. The Special Committee evaluated the final LOIs based on the same criteria applicable to Phase 1 bids but also considered, among other things, execution risk, treatment of employees, impacts on key stakeholders, and required regulatory approvals. During this timeframe, Moelis and the Company also engaged in discussions with certain Senior Noteholders to obtain feedback on the bid results and the proposed restructuring scenarios to further the Strategic Review. The Senior Noteholders who were consulted unanimously indicated that they did not support a restructuring solution.⁹

14. Upon consideration of all of the bids received through the Sales Process, including the additional bids received following the Phase 2 Bid Deadline, and the evaluation of the restructuring options, the Special Committee, in consultation with the Company's advisors, exercised its good faith business judgment to determine to pursue a sale of the Company's business. The Special Committee determined that pursuing a series of transactions for certain markets would maximize the value of the Company.¹⁰ Accordingly, the Special Committee exercised its good faith business judgment to conclude that it was in the best interests of the

⁵ Kassel Affidavit at para. 6.

⁶ Kassel Affidavit at paras. 8-9.

⁷ Kassel Affidavit at para. 10.

⁸ Kassel Affidavit at paras. 14 and 16.

⁹ Kassel Affidavit at paras. 18 and 20.

¹⁰ Kassel Affidavit at para. 21.

Company and its stakeholders to pursue separate sale transactions.¹¹

D. Execution and Terms of the Delaware APA

15. Moelis received two Phase 2 bids that expressed interest in acquiring the Company's Delaware business. Throughout October 2025, Moelis continued to facilitate due diligence with bidders, one of which was Parma, an indirect affiliate of Millstreet, including an on-site visit to the cultivation and manufacturing facility in Delaware.¹²

16. On November 24, 2025, Parma submitted an indication of interest which contemplated a separate acquisition of the Company's Delaware business, which was subsequently improved on January 2, 2026.¹³

17. After considering the various alternatives, on January 23, 2026, the Company and Millstreet executed the Delaware Exclusivity Agreement, pursuant to which the parties agreed to an exclusivity period¹⁴ and ultimately, following negotiations between the Company's advisors and Parma, on March 23, 2026, the Parent Company and its subsidiary, Columbia Care Delaware, LLC ("**CC Delaware**") executed the Delaware APA.¹⁵

18. The key terms of the Delaware APA are summarized in the Kassel Affidavit. A shortened summary of the Delaware APA is immediately below:

Key Terms	Delaware APA
Parties	Buyer: <ul style="list-style-type: none">Parma Holdco LLC Company/Seller: <ul style="list-style-type: none">Columbia Care Delaware, LLC The Cannabist Company Holdings Inc. is not selling any assets but is a party to the Delaware APA as the ultimate parent entity and among other things, gives representations, indemnities, restrictive covenants, and obligations connected to the Canadian Court process. Millstreet Credit Fund LP is a guarantor.
Transaction and	Asset sale of Purchased Assets (defined below), free and clear of all

¹¹ Kassel Affidavit at para. 22.

¹² Kassel Affidavit at para. 51.

¹³ Kassel Affidavit at para. 52.

¹⁴ Kassel Affidavit at para. 54.

¹⁵ Kassel Affidavit at para. 56.

Structure	Liens other than Permitted Liens, excluding the Excluded Assets (defined below).
Purchased and Excluded Assets	<p>The Purchased Assets consist of substantially all the assets of the DE Seller primarily used or held for use in connection with the Delaware business, other than the Excluded Assets, which include, among other things:</p> <ul style="list-style-type: none"> • Excluded Contracts; • Refunds for Taxes or other Tax assets or claims, rights or interests in or to any refund for Taxes (subject to certain exceptions); • Intercompany claims between the DE Seller and any of its affiliates; • Claims or causes of action arising under or relating to the Delaware APA or any Transaction Agreement; and • Warranties, claims, refunds, credits, causes of action, rights of recovery or rights of set-off relating to any Excluded Asset or Excluded Liability.
Assumed and Excluded Liabilities	<p>Buyer shall assume and agree to pay, perform, and discharge all Liabilities of the Company, other than the Excluded Liabilities, which Excluded Liabilities include all:</p> <ul style="list-style-type: none"> • Transaction Expenses; • Indebtedness of the DE Seller owed to any Affiliate of the Company; • Intercompany obligations to any Affiliate of the DE Seller; • Liabilities with respect to any of the Excluded Assets (including all Liabilities under Excluded Contract and all Liabilities with respect to any of the Excluded Assets under any Contract); • Liabilities relating to or arising from any fraudulent conveyance, successor liability, de facto merger, alter ego or similar claims made by any third party; • Liabilities of Buyer arising under any bulk transfer or fraudulent conveyance Law or any common law or other doctrine of de facto merger, alter ego or successor liability, which is directly or indirectly related to, the result of or arises out of the transactions contemplated by the Delaware APA and/or any Transaction Agreement; and • Liability for any Indemnified Tax.
Consideration	Purchase Price equals the Final Closing Cash Payment plus the Offset Escrow Amount plus the Deposit Escrow Amount. The base price within the payment formula is \$16,500,000, adjusted by closing cash, net working capital versus a Target Working Capital of \$500,000, final indebtedness and transaction payments.
Outside Date	July 23, 2026
Employees	The Buyer (or its affiliate) will offer employment to all Business Employees, subject to certain limited exceptions, effective at closing,

	<p>including those on protected leave who return within six months. Offers provide base pay no less favourable than pre-closing levels, substantially comparable short-term cash incentive opportunities, and, in aggregate, substantially comparable employee benefits excluding equity-based, retention, severance, deferred compensation and defined benefit pension arrangements.</p> <p>Buyer assumes accrued but unused vacation and paid time off for transferred employees and grants full prior service credit for eligibility, vesting and PTO accruals without duplicate benefits. Non-transferred and former employee liabilities remain with the Company, and the Buyer bears WARN-Act compliance for post-closing actions.</p>
Deposit Escrow	Within two business days of signing, the Buyer is to deposit \$3,300,000 with Western Alliance Bank.

E. Execution and Terms of the Ohio EPA

19. Moelis received four (4) Phase 2 bids that expressed interest in acquiring the Company's Ohio Business.¹⁶

20. The Special Committee, in consultation with Moelis and its other advisors, reviewed each of the Ohio Phase 2 Bids, and after receiving feedback from three Senior Noteholders holding the largest portion of the outstanding debt under the Senior Notes, directed the Company's advisors to advance discussions with Holistic. The Holistic Bid was selected after considering a number of factors including consideration mix, certainty around deal execution and total consideration to the Company's stakeholders.¹⁷

21. On November 28, 2025, the Company and Holistic executed the Ohio Term Sheet for the sale of the Company's Ohio business, which contemplated an initial 45-day exclusivity period.¹⁸

22. On March 23, 2026, the Special Committee, with input and advice from the Company's advisors, exercised its good faith business judgment and determined that the Company should execute the Ohio EPA. In making the determination, the Special Committee considered, among other things, (a) the results of the competitive and robust Sales Process; (b) the costs and complexity of remarketing the Ohio business; and (c) the input and feedback of the Ad Hoc

¹⁶ Kassel Affidavit at para. 38.

¹⁷ Kassel Affidavit at para. 39.

¹⁸ Kassel Affidavit at para. 41.

Group.¹⁹

23. The key terms of the Ohio EPA are summarized in the Kassel Affidavit. A shortened summary of the Ohio EPA is immediately below:

Key Terms	Ohio EPA
Parties	<p>Buyer:</p> <ul style="list-style-type: none"> • Holistic Industries Inc. <p>Companies being acquired:</p> <ul style="list-style-type: none"> • Columbia Care OH LLC • Corsa Verde LLC • Cannascend Alternative, LLC • Cannascend Alternative Logan LLC • CC OH Realty LLC • Green Leaf Medical of Ohio II, LLC <p>Members owning Equity of the Companies:</p> <ul style="list-style-type: none"> • Green Leaf Medical of Ohio III, LLC (solely with respect to Green Leaf Medical of Ohio II, LLC) • Columbia Care LLC (excluding Green Leaf Medical of Ohio II, LLC) <p>Entity beneficially owning Equity of the Members:</p> <ul style="list-style-type: none"> • The Cannabist Company Holdings Inc.
Transaction and Structure	<p>Equity sale. Buyer shall purchase all the issued and outstanding Equity of each Company from the Members free and clear of all Liens, other than Permitted Liens. Each Company shall become a wholly owned subsidiary of the Buyer post-closing.</p>
Consideration	<p>Aggregate purchase price is: (i) the Final Closing Cash Payment (\$34,500,000, subject to adjustments for cash and working capital compared to target, indebtedness, and transaction expenses, and reduced by any Additional Location Deposit); plus (ii) a \$12.5 million seller promissory note; plus (iii) the Additional Location Deposit if payable.</p> <p>Buyer is not assuming Excluded Liabilities, including any Seller Income Tax Liabilities of Cannabist, the Members or their affiliates for pre-closing periods.</p>
Outside Date	November 30, 2026.
Employees	Buyer or its Affiliates may, in its discretion, offer employment to individuals providing services exclusively to the Companies.

¹⁹ Kassel Affidavit at para. 46.

	<p>Prior to closing, Cannabist must ensure that all obligations in respect of each Transferred Employee are performed and satisfied.</p> <p>Cannabist must ensure that the Employer makes all payments of severance required under any employee benefit plan or statutory requirement that could become Indebtedness of the Companies under operation of law and that the Employer uses reasonable best efforts to obtain an acknowledgement and release of claims from each Transferred Employee relating to employment with the Employer.</p>
Pre-Closing Restructuring	<p>The pre-closing restructuring isolates an additional retail location that is under development and has not yet received its certificate of operation from the Ohio Division of Cannabis Control. This allows the main transaction to proceed for the operational locations while creating a separate option structure for the Additional Location.</p> <p>Prior to closing and as promptly as practicable after signing (or, if later, after the provisional licence is issued for the Additional Location), CCO must apply for a variance from the Ohio Division of Cannabis Control to permit the transfer of the provisional licence and all assets exclusively related to the Additional Location to a newly formed entity.</p>
Membership Interest Purchase Option Agreement (“MIPOA”) and the MIPOA Documents	<p>The MIPOA Documents are entered into only if, at or prior to closing, the Ohio Division of Cannabis Control has not issued the certificate of operation for the Additional Location. The MIPOA documents are necessary because Ohio does not allow transfers of a provisional license, the precursor to a certificate of operation, to a third party (i.e., only a certificate of operation can be transferred, once issued), and the certificate of operation is not expected to be issued at or prior to closing.</p> <p>New Sub Member is to grant the Buyer the Option to buy all of the issued and outstanding equity, voting and economic interests of New Sub from New Sub Member, which can only be exercised once the certificate of operation has been issued.</p> <p>The purchase price under the MIPOA is equal to the Additional Location Deposit (representing the portion of the purchase price allocable to the Additional Location and its related assets).</p> <p>In addition to the MIPOA, the parties enter into: (i) a Grid Note and related security agreement (designed to support the financing of the development and operation of the Additional Location pending issuance of the certificate of operation); and (ii) a Consulting and Staffing Services Agreement.</p>

PART III – ISSUES

24. The issues to be determined on this motion with respect to the Delaware Approval Order, the Ohio Sale Approval Order, and the Ancillary Order are whether this Court should:

- (a) approve the Delaware APA, the Ohio EPA, and the Transactions;
- (b) approve the waiver of defaults contemplated by the Delaware Sale Approval Order and the Ohio Sale Approval Order;
- (c) amend the sealing provision of the ARIO to provide that Confidential Exhibit “F” to the Kassel Affidavit (the “**Bids Summary**”) shall be sealed until closing of the Sale Transactions or further Order of the Court;
- (d) add CC Delaware as an Applicant to these CCAA Proceedings immediately prior to the closing of the Delaware Transaction; and
- (e) grant the Releases in favour of the Released Parties.

PART IV – LAW AND ARGUMENT

A. The Delaware APA, the Ohio EPA, and the Transactions Should be Approved

(i) This Court has the Jurisdiction to Approve the Transactions

25. It is well-established that this Court has jurisdiction to approve a sale of all or substantially all the assets of a debtor company in a CCAA proceeding where such sale is in the best interests of stakeholders generally. The sale of a business as a going concern during a CCAA proceeding is consistent with the purposes of the CCAA.²⁰

26. Section 36 of the CCAA provides that a debtor company may sell assets outside of the ordinary course of business if authorized to do so by the Court. Section 36(3) sets out the following factors for the Court to consider when determining whether to authorize a sale of assets by a debtor company in a CCAA proceeding:

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) whether the monitor approved the process leading to the proposed sale or disposition;

²⁰ *Re Nortel Networks Corp.* (2009), 2009 CanLII 39492 (Ont. Sup. Ct. J.) at paras. 35-40 and 48 (“**Nortel**”); *Re Brainhunter Inc.* [2009] O.J. No. 5207 (Ont. Sup. Ct. J.) at para. 12; *Re Canwest Publishing Inc./Publications Canwest Inc.*, 2010 ONSC 2870 at para. 13 (“**Canwest**”).

- (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.²¹

27. In *Canwest*, Justice Pepall held that the criteria enumerated in section 36(3) of the CCAA largely overlapped with the traditional common law criteria established in *Royal Bank v Soundair Corp.* for approval of a sale of assets in an insolvency scenario and remain relevant when considering the statutory test.²²

28. A court should also give effect to the business judgment rule, which affords deference to the exercise of the commercial and business judgment of the debtor company in the context of an asset sale where the marketing and sale process was fair, reasonable, transparent and efficient.²³

(ii) The Test to Approve a Transaction Resulting from a Pre-Filing Sales Process is the Same as the Test to Approve a Transaction Resulting from a Post-Filing Sales Process

29. Courts have, on many occasions, approved sale transactions where the debtor company has conducted a sales process before making an insolvency filing.²⁴ In approving transactions of this nature, courts have held that the same principles that apply to the approval of a sale transaction resulting from a post-filing sales process apply to the approval of a sale transaction resulting from a pre-filing sales process.²⁵

²¹ CCAA, s. 36(3); *Re Nelson Education Limited*, 2015 ONSC 5557 at para. 38 (“*Nelson*”); *Re Bloom Lake*, 2015 QCCS 1920 at paras. 25-26.

²² CCAA, s. 36(3); *Canwest*, *supra* at para. 13; *Royal Bank v Soundair Corp.* (1991), 83 D.L.R. (4th) 76 (Ont. C.A.) at para. 16; *Nelson*, *supra* at paras. 37-38.

²³ *Bloom Lake*, *supra* at para. 28.

²⁴ *Nelson*, *supra*; *Bloom Lake*, *supra*; *Mountain Equipment Co-Operative (Re)*, 2020 BCSC 1586; *Re PT Holdco, Inc. et al.*, Approval and Vesting Order granted February 25, 2016 (Court File No. CV-16-11257-00CL); *Re Golf Town Canada et al.*, Approval and Vesting Order granted September 30, 2016 Court File No. CV-16-11527-00CL); *Karrys Bros, Ltd. (Re)*, 2014 ONSC 7465 at paras. 15-16. (“*Karrys*”). This decision is attached as Schedule “C”; *Re MAV Beauty Brands Inc. et al.*, Approval, Vesting and Distribution Order granted November 24, 2023 (Court File No. CV-23-00709610-00CL)

²⁵ *Nelson*, *supra* at paras. 31-33 and 35-59; *Bloom Lake*, *supra* at paras. 25-27 and 29; *MAV Beauty Brands Inc. et al.*, Endorsement of Justice Cavanagh dated November 24, 2023, at para. 7 (Court File No. CV-23-00709610-00CL).

30. In *SRTX*, the Superior Court of Quebec held that these “prepack” transactions should be encouraged and celebrated given the important purpose they serve – they can shield a business from the stigma of formal insolvency proceedings, reduce operational disruption, preserve going-concern value, and minimize professional costs associated with prolonged court oversight. The Court also held that “[i]n theory, these transactions represent the most efficient form of corporate restructuring, its best version.”²⁶

31. Where a debtor seeks approval of a sale transaction developed prior to an insolvency filing, the court will still consider the *Soundair* principles but with specific consideration of the economic realities of the business and the proposed transaction. Sale approval is warranted where the sale represents the best available commercial alternative in the circumstances, particularly where an extension of the process could jeopardize the continued operation of the business.²⁷

32. Furthermore, the Court should consider the impact on various parties and contemplate whether their position and proposed treatment would realistically be any different if an additional process was undertaken; this is unlikely to be the case where the process actually followed is consistent with what a court would have approved if the process was conducted post-filing.²⁸

33. The Court in *Karrys* determined that a pre-filing marketing process undertaken by the debtors in advance of proposal proceedings under the *Bankruptcy and Insolvency Act* had met the principles in *Soundair* as: (a) two financial advisors were engaged in a broad and comprehensive marketing process; (b) the evidence was that the proposed sale was the best available option in the circumstances; (c) further delay would likely have resulted in a greater erosion of value such that an immediate sale was the only way to maximize recovery; and (d) the process actually followed by the debtors was indistinguishable from what the court might reasonably have approved had prior authorization been sought.²⁹

34. The Court in *SRTX* also outlined certain considerations that should inform the assessment of whether a “prepack” constitutes a proper course of action in a given case, many of which overlap with the enumerated section 36(3) CCAA factors and *Soundair* principles: (a) good faith and absence of improper purpose; (b) heightened level of advance disclosure; (c) a

²⁶ *Proposition de SRTX Inc.*, 2026 QCCS 570 at para. 6 (“*SRTX*”).

²⁷ *Elleway Acquisitions Limited v 4358376 Canada Inc.*, 2013 ONSC 7009 at paras. 27 and 31-32; *Karrys*, *supra* at paras. 15-16.

²⁸ *Re Tool-Plas Systems Inc.*, 2008 CanLII 54791 (Ont. Sup. Ct. J.) at paras. 15-19.

²⁹ *Karrys*, *supra* at paras. 12-16.

robust assessment by the Court-appointed trustee or monitor; (d) broad level of support from a variety of stakeholders; and (e) absence of objective reason to delay the approval of the transaction.³⁰

35. For the reasons set out below, the Applicants submit that the factors in *Karrys* also exist in the case at bar, and that the Applicants have satisfied the section 36(3) CCAA factors, the *Soundair* principles, and the *SRTX* prepack considerations.

(iii) The Delaware APA, the Ohio EPA, and the Transactions Satisfy the Requirements in Section 36(3) of the CCAA, the *Soundair* Principles, and the *SRTX* Considerations

(A) *The process leading to execution of the Delaware APA and the Ohio EPA was reasonable in the circumstances.*

36. The execution of the Delaware APA and the Ohio EPA represent the culmination of extensive solicitation efforts pursuant to the Company's prior strategic review processes beginning in or around June 2024 and the Company's refreshed Strategic Review and Sales Process.³¹

37. The proposed Transactions are the product of a robust Strategic Review that involved a dual-track process – the Sales Process and a review of a stand-alone restructuring of the Company's business and capital structure. The dual-track process conducted with the assistance of Moelis was designed to be broad and flexible and provide the Company with the latitude to pursue a range of transactions.³²

38. The Sales Process was robust, competitive, and a broad canvassing of the market over a lengthy period of approximately eight months.³³ The Sales Process was also informed by the prior processes conducted beginning in mid-2024, which included the Company having engaged in discussions with, among others, an ad hoc group of former senior noteholders, certain debt capital providers, and other national multi-state cannabis operators, regarding potential transactions.³⁴

39. Specifically, the Sales Process was reasonable in the circumstances given, among other

³⁰ *SRTX* at para. 27.

³¹ Kassel Affidavit at para. 59.

³² First Kroll Affidavit at para. 124; Kassel Affidavit at para. 6.

³³ Kassel Affidavit at paras. 8 and 33.

³⁴ First Kroll Affidavit at para. 117.

reasons:

- (a) Moelis has significant experience in providing investment banking and financial restructuring services to develop and negotiate restructuring and sale transactions. Mr. Kassel, the lead member of the Moelis team responsible for this mandate, has nearly 16 years of investment banking experience with a specialization in advising clients in the cannabis sector, having completed 14 transactions in the cannabis sector since 2019, many of which are notable cannabis and restructuring mandates³⁵;
- (b) the Sales Process was split into two phases;
- (c) bidders were provided with access to a VDR that included, among other things, information regarding the Company's financials, state-by-state market overviews, contracts, floor plans, licenses, and various other corporate documents;
- (d) Moelis and the Company's management team facilitated site visits; and
- (e) participants in the Sales Process were provided with reasonable timelines to conduct due diligence and submit bids – the Phase 1 Bid Deadline was July 18, 2025, and the Phase 2 Bid Deadline was September 3, 2025.³⁶

40. Further, the Company formed the Special Committee comprised of independent members of the Board to oversee the ongoing Strategic Review and make recommendations to the Board regarding the ultimate path forward for the Company. The Special Committee was tasked with evaluating the bids received and determining the optimal path forward in light of the available options, with the assistance of Moelis and the Company's other advisors.³⁷

41. The Company undertook significant efforts to obtain the best price possible in the circumstances and there is no evidence to suggest that the Company may have acted in bad faith or improvidently. Among other things:

- (a) the Company, in consultation with Moelis and its other advisors, determined that allowing the six (6) additional parties following the Phase 1 Bid Deadline to participate in Phase 2 and five (5) additional parties following the Phase 2 Bid Deadline to submit bids would increase competitive tension and enhance the prospects of maximizing value without materially hindering the integrity of the Sales Process³⁸;
- (b) Moelis engaged with bidders throughout the Sales Process to drive competitive tension and improve headline value, consideration mix, and other key deal

³⁵ Kassel Affidavit at para. 2.

³⁶ Kassel Affidavit at paras. 9 and 12-13.

³⁷ Kassel Affidavit at para. 18.

³⁸ Kassel Affidavit at paras. 11 and 15.

terms³⁹;

- (c) upon consideration of all the bids received through the Sales Process and the evaluation of restructuring options, the Special Committee, in consultation with the Company's advisors, determined that pursuing a series of select transactions for certain markets would maximize the value of the Company, as compared to a sale of the entire Company⁴⁰;
- (d) throughout November 2025, the Company and its advisors advanced negotiations with Holistic to improve the terms of the Holistic Bid⁴¹; and
- (e) following favourable industry developments around the issuance of the EO, the Company engaged in negotiations with Holistic and Parma to increase the aggregate consideration for the Company's Ohio and Delaware businesses, respectively.⁴²

(B) The Monitor has prepared a fulsome report setting out its views on the conduct of the Sales Process and has indicated its support of the Strategic Review and the Sales Process.

42. In *Nelson*, the Court indicated that the monitor's "blessing" of a sale process undertaken prior to a CCAA filing is an important factor to consider.⁴³

43. The Monitor noted that the multi-phase Sales Process shares many of the hallmarks of a sales process that would be conducted under the CCAA by a debtor company and/or a monitor.⁴⁴

44. The Monitor supports approval of the proposed Transactions, given its views that, among other things: (a) the pre-filing marketing and sales process in respect of the Company's business was extensive; (b) Moelis and the Company conducted a broad and thorough marketing process such that the market for potential purchasers of the Company's Delaware and Ohio businesses were thoroughly canvassed; (c) potential bidders had sufficient time and access to detailed information to perform due diligence to adequately assess the Company's business; (d) the Sales Process was carried out fairly with appropriate governance and decision making; and (e) the Transactions are the best available options in the circumstances for the Company and its stakeholders.⁴⁵

³⁹ Kassel Affidavit at paras. 13 and 16.

⁴⁰ Kassel Affidavit at para. 21.

⁴¹ Kassel Affidavit at paras. 40 and 43.

⁴² Kassel Affidavit at paras. 43 and 53.

⁴³ *Nelson*, *supra* at para. 38.

⁴⁴ Second Report of the Monitor dated April 10, 2026 (the "Second Report") at para. 19.

⁴⁵ Second Report at paras. 25 and 29.

(C) The Monitor believes that the Transaction is more beneficial to creditors than a sale or disposition under bankruptcy.

45. As stated in the Second Report, the Monitor is of the view that the proposed Transactions, which provide for the continuation of the Company's business as a going concern in the Delaware and Ohio markets, is better for stakeholders than any result that would be achieved in a liquidation proceeding.⁴⁶

(D) Creditors were adequately consulted, the interests of all parties have been considered, and there has been no unfairness in the conduct of the Sales Process.

46. The Company and its advisors engaged and consulted with its fulcrum creditor group, the Senior Noteholders, throughout the Sales Process. Throughout the majority of this period, the Ad Hoc Group was represented by legal counsel and by Ducera, a sophisticated investment bank with significant experience in the cannabis industry.

47. The Special Committee evaluated the various bids received in connection with the Sales Process, and a range of restructuring scenarios in connection with divestures. The determination made by the Company to pursue sale transactions for select markets to maximize value took into account feedback received from certain Senior Noteholders who held a majority of the outstanding Senior Notes. The Senior Noteholders who were consulted unanimously indicated that they did not support a restructuring solution.⁴⁷

48. The Company and certain Senior Noteholders further engaged in good-faith discussions following initial consultation with respect to the Sales Process and the Transactions. These discussions culminated in the Company entering into the Support Agreement with the Supporting Noteholders on March 23, 2026.⁴⁸ The Support Agreement demonstrates meaningful support from the Company's major secured creditors for the Transactions as the most viable and value-maximizing path forward.⁴⁹

(E) The Transactions represent the best possible outcome for the Company and its stakeholders in the circumstances

49. The Transactions are the best available option in the circumstances for the Company

⁴⁶ Second Report at paras. 25(c) and 29(c).

⁴⁷ First Kroll Affidavit at para. 127; Kassel Affidavit at paras. 20 and 22.

⁴⁸ First Kroll Affidavit at para. 163.

⁴⁹ First Kroll Affidavit at para. 163.

and its stakeholders. Among other benefits, the Transactions preserve the going-concern value of the Subsidiaries operating in the Ohio and Delaware markets as integrated, operating businesses.

50. With respect to the Ohio Transaction, among other benefits: (a) as an equity sale, the Subsidiaries being acquired remain responsible for their liabilities in the ordinary course. The primary liability that is being “released” is the Senior Noteholders’ security interest over the equity of the Subsidiaries contemplated to be acquired; (b) by transferring the Ohio business as a going concern to a scaled industry operator, the Ohio Transaction preserves critical relationships with regulators, patients/customers, suppliers, landlords, and local communities; and (c) Holistic has obtained its senior lenders’ approval for the transaction and, as confirmed in the Ohio EPA, will have sufficient immediately available funds to pay the Initial Closing Cash Payment and perform all obligations under the seller note at and after closing.⁵⁰

51. With respect to the Delaware Transaction, among other benefits: (a) the Buyer is assuming substantially all liabilities in the ordinary course. The primary liabilities that are being excluded are the Senior Noteholders’ security interest over the assets being acquired and unpaid U.S. federal income taxes for the pre-closing period to the extent such liability arises solely from the Company filing U.S. federal income tax returns taking the position that Section 280E does not apply to the Company; (b) the purchaser is a scaled industry operator, and by preserving the business as a going concern, the Delaware Transaction preserves critical relationships with regulators, patients/customers, suppliers, landlords, and local communities; and (c) the Delaware Transaction contemplates preservation of substantially all the employees (with base pay no less favourable than pre-closing levels, substantially comparable short-term cash incentive opportunities, and in the aggregate, substantially comparable employee benefits).⁵¹

52. Supporting Noteholders holding a majority of the Senior Notes support the Transactions pursuant to the Support Agreement.⁵²

(F) *There is no objective reason to delay approval of the Transactions.*

53. As outlined by the Court in *SRTX*, debtors seeking approval of a prepack must

⁵⁰ Kassel Affidavit at para. 48.

⁵¹ Kassel Affidavit at para. 58.

⁵² Kassel Affidavit at paras. 48 and 58.

demonstrate, on a balance of probabilities, that there is an absence of an objective reason to delay approval of a transaction.⁵³

54. In the circumstances, as outlined above, the Sales Process was informed by the results of prior strategic processes and constituted a robust and comprehensive canvassing of the market. The Applicants respectfully submit that there is no reasonable basis to undertake any further marketing or solicitation efforts. The market has already been extensively tested, and the refreshed Strategic Review reaffirmed the results.

55. Any further canvassing of the market would be unlikely to generate better outcomes. Rather, it would introduce material delay, increase administrative and professional costs, and risk value erosion to the detriment of stakeholders. In particular, prolonging the process would create ongoing operational uncertainty, potentially disrupt relationships with key customers, suppliers, and employees, and diminish the stability of the Company's business as a going concern. These factors would, in turn, reduce the attractiveness of the Company's business to potential purchasers and may ultimately result in lower recoveries.

B. The Waivers Should be Granted

56. The Applicants are seeking relief in the Delaware Sale Approval Order and the Ohio Sale Approval Order which, among other things, waives all claims of any third parties in any way related to, arising from, or in connection with: (a) the consummation of the Transactions (or the pre-closing restructuring in the case of the Ohio Transaction); (b) the commencement or existence of the CCAA Proceedings, the Chapter 15 Proceeding, or any insolvency proceeding in respect of the Applicants or the Subsidiaries; (c) the insolvency of any of the Applicants or any alleged insolvency of the Subsidiaries; (d) any cross-default caused by the actions or inactions of the Applicants or the Subsidiaries (other than the Company being acquired) under a Contract; or (e) in the case of the Ohio Transaction, a change of control arising from the implementation of the Ohio Transaction (collectively, the "**Specified Matters**").

57. The relief does not waive any monetary defaults.

58. In *Doman Industries*, the Court recognized that it had the jurisdiction pursuant to section 11 of the CCAA to grant waivers and releases outside the context of a plan of arrangement

⁵³ SRTX at para. 27.

which affect third parties' rights.⁵⁴ Similar relief has been granted in other CCAA approval and vesting orders⁵⁵, including in similar circumstances where CCAA asset sales were approved with similar waiver provisions applying to counterparties with contracts of a non-CCAA debtor which was included in the CCAA stay of proceedings as a non-filing entity.⁵⁶

C. The ARIO Should be Amended to Seal the Bids Summary until Closing of the Transactions

59. The Applicants adopt and rely on its submissions in their factum filed on March 24, 2026 (the "**Initial Factum**"), in support of the request to seal the Bids Summary.

60. At the time that the Initial Factum was filed, the Applicants had only sought to seal the Bids Summary until the return of the within motion. Sealing the Bids Summary until closing of the Sale Transactions is appropriate in the circumstances given, among other reasons: (a) there is a risk that public disclosure of the Bids Summary could impair any efforts to remarket the relevant markets the Company operates in if the applicable transaction does not close; (b) lack of a reasonable alternative to mitigate the aforementioned risks; and (c) proportionality, as the economic terms of the Transactions have been disclosed and the economic terms of the Remaining States Transaction will be disclosed in the Applicants' materials in due course when the Applicants seek Court approval.

61. Courts have applied the *Sierra Club* and *Sherman Estate*⁵⁷ tests in the insolvency context and authorized sealing orders over confidential or commercially sensitive documents to protect the interests of debtors.⁵⁸ In particular: (a) Chief Justice Morawetz granted a sealing order in *Bridging Finance* in respect of bids and a receiver's summary of the economic terms of such bids, because they contained confidential information⁵⁹; and (b) Justice Penny granted a sealing order in *Acerus* in respect of a confidential summary of bids received in a SISP⁶⁰, which is substantially the same in all material respects to the Bids Summary that the Applicants are

⁵⁴ *Re Doman Industries*, 2003 BCSC 376 at para. 15.

⁵⁵ See *Just Energy Group Inc. et al., Approval and Vesting Order* dated November 3, 2022, at paras. 12 and 14 (Court File No. CV-21-00658423-00CL) and *Harte Gold Corp., Approval and Reverse Vesting Order* dated January 28, 2022, at paras. 13 and 15.

⁵⁶ See Approval and Vesting Orders dated June 22, 2018, granted in the CCAA proceedings of *Discovery Air Inc.*, Court File No. CV-18-594380-00CL, with similar waiver provisions applying to counterparties to contracts of parties who were granted an extension of the CCAA stay but were not actual CCAA debtors (*Great Slave Lake, Top Aces*, and *Air Tindi* at para. 5) and the *Assignment, Approval and Vesting Order* granted in the CCAA proceedings of Sandvine Corporation et al., Court File No. CV-24-00730836-00CL at paras. 14 and 20.

⁵⁷ *Sherman Estate v. Donovan*, 2021 SCC 25; *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41.

⁵⁸ *Re Danier Leather Inc.*, 2016 ONSC 1044 at para. 82; *Ontario Securities Commission v. Bridging Finance Inc.*, 2021 ONSC 4347 at paras. 23-28.

⁵⁹ *Ontario Securities Commission v. Bridging Finance Inc.*, 2022 ONSC 1857 at paras. 50-54. ("*Bridging Finance*")

⁶⁰ *Acerus Pharmaceuticals Corporation (Re)*, 2023 ONSC 3314, at para. 39.

seeking a sealing order in respect.

62. The Monitor supports the Applicants' request to seal the confidential appendices.⁶¹

D. CC Delaware Should be Added as an Applicant

63. The proposed Delaware Sale Approval Order being sought by the Applicants provides that CC Delaware will be deemed to have become an applicant in the CCAA Proceedings for all purposes, one (1) minute prior to closing of the Delaware Transaction. Immediately upon CC Delaware being deemed as an applicant in these CCAA Proceedings, it shall be entitled to the benefits and protections of the CCAA and any orders made in these CCAA Proceedings.

64. A party may be added as an applicant in an ongoing CCAA proceeding where it satisfies the statutory requirements for protection at the time the motion is brought. Courts will also consider whether the entity sought to be added is closely integrated with existing Applicants.⁶²

65. The Applicants adopt and rely on its submissions in the Initial Factum with respect to the statutory requirements to be a CCAA applicant. CC Delaware satisfies the statutory requirements to be a CCAA applicant as: (a) it is an affiliated debtor company with claims exceeding \$5 million⁶³; (b) it is insolvent; and (c) it is the seller under the Delaware APA.

66. The Court in *Pride* observed that a prior "non-applicant" stay party was included in recognition of its connection to the other CCAA applicants and the estate generally.⁶⁴ Similarly, CC Delaware is currently a Subsidiary with the benefit of the Stay extended to it, and the Court previously held that the Stay should be extended given the close integration between the Applicants and the Subsidiaries.

67. The addition of CC Delaware as an applicant will assist in facilitating distributions following the closing of the Delaware APA.

E. The Releases Should be Granted

68. The Ancillary Order includes the Releases in favour of the Released Parties from the Released Claims. The Releases in favour of the Released Parties are being sought to achieve

⁶¹ First Report, *supra* at paras 6.24 and 6.27.

⁶² *Pride Group Holdings Inc. et al.*, 2025 ONSC 3915 at para. 12 ("*Pride*"), citing *Cadillac Fairview Inc., Re.*, 1995 CanLII 7363 (ONSC) at paras. 6-7 and *Guestlogix Inc., Re.*, 2016 ONSC 1348 at paras. 5-9.

⁶³ See para. 44 of the Pre-Filing Report of the Monitor.

⁶⁴ *Pride* at para. 13.

certainty and finality for the Released Parties in the most efficient and appropriate manner given the circumstances.

(i) This Court has Jurisdiction to Approve the Releases

69. Third-party releases in favour of the parties to a restructuring, their professional advisors, their directors and officers, and the Monitor have become common in CCAA sale transactions.⁶⁵ Chief Justice Morawetz in *Lydian*, applied the following criteria ordinarily considered with respect to third-party releases provided for under a plan: (a) whether the claims to be released are rationally connected to the purpose of the restructuring; (b) whether the release contributed to the restructuring; (c) whether the release is fair, reasonable and not overly broad; (d) whether the restructuring could succeed without the release; (e) whether the release benefits the debtor as well as the creditors generally; and (f) creditors' knowledge of the nature and the effect of the releases.⁶⁶

70. It is not necessary for each of the above factors to apply for a release to be approved.⁶⁷ In *Lion Electric*, the Court held that in order for parties to be beneficiaries of a third-party release in connection with a CCAA sale, it should be demonstrated that such parties made a meaningful contribution to the restructuring, with probative evidence identifying each party who is intended to be a beneficiary of the proposed release.⁶⁸

(ii) The Releases are Appropriate in the Circumstances

71. The Releases comply with the *Lydian* factors, are consistent with releases previously approved by this Court, are reasonable and appropriate in the circumstances, and should be granted.

(A) The Releases are rationally connected to the purpose of the restructuring.

⁶⁵ *Arrangement relatif à Blackrock Metals Inc.*, 2022 QCCS 2828, at para. 128; *Harte Gold Corp. (Re)*, 2022 ONSC 653, at para. 79 ("**Harte Gold**"); *Green Relief Inc (Re)*, 2020 ONSC 6837 at para. 76; *Re Nelson Education Limited*, 2015 ONSC 5557 at para. 49; *Golf Town Canada Holdings Inc (Re)* (March 29, 2018), Toronto, CV-16-11527-00CL (CCAA Termination Order) (ON SC); *Green Growth Brands Inc et al (Re)* (May 19, 2021), Toronto, Court File No. CV-20-00641220-00CL (Order Terminating CCAA Proceedings) (ON SC); *Fire & Flower Holdings Corp (Re)*, (August 29, 2023), Toronto, Court File No. CV-23-00700581-00CL (Approval and Reverse Vesting Order) (ON SC); *Arrangement relatif à Lion Electric Company*, 2025 QCCS 4192 at para. 60 ("**Lion Electric**").

⁶⁶ *Lydian International Limited (Re)*, 2020 ONSC 4006 at para. 54; see also *Green Relief, supra*, at para. 27, where Justice Koehnen also cited Chief Justice Morawetz's decision in *Lydian*.

⁶⁷ *Harte Gold, supra* at para. 80.

⁶⁸ *Lion Electric* at para. 144.

72. The Releases will have the effect of diminishing claims against the Released Parties, which in turn will diminish indemnification claims by the Released Parties against the Administration Charge and the D&O Charge. Given that a purpose of CCAA proceedings is to maximize creditor recovery, a release that helps achieve this goal is rationally connected to the purpose of the Company's restructuring.

73. Further, the claims to be released involve all pre-filing claims and post-filing claims related to the Delaware APA or Ohio EPA, as applicable, consummation of the applicable Transaction, the refreshed Strategic Review, the restructuring and sale efforts of the Applicants and the Subsidiaries, including the use of the proceeds related thereto, the CCAA Proceedings, or the Chapter 15 Proceedings.

(B) *The Released Parties made significant and meaningful contributions to the restructuring.*

74. The Released Parties each played or continue to play, as applicable, a meaningful role in connection with some or all of the entering into the Delaware APA, the Ohio EPA, the consummation of the Transactions, the Strategic Review, the restructuring and sale efforts of the Applicants and the Subsidiaries, the CCAA Proceedings, or the Chapter 15 Proceedings.

75. The Company maintains a complex corporate structure comprising numerous subsidiary entities across multiple jurisdictions in the United States and Canada. The reasons for the complexity, including the U.S. regulatory regime, are set forth in the First Kroll Affidavit. Those entities are governed by a core group of officers and directors who hold or have held roles across the CC Group. The Lynch Affidavit expressly identifies the identity of each of these D&Os and their respective role in the Company.⁶⁹

76. Management of the Company contributed towards the success of the Strategic Review by, among other things: (a) preparing analyses to compare restructuring and sale options; (b) preparing and facilitating diligence for bidders in connection with the Sales Process; (c) negotiating with bidders in connection with the Sale Transactions; (d) managing liquidity and operations to stabilize the business while the Company completed significant divestitures; (e) serving as the authorized representatives of the Company on various state-level cannabis licenses needed to operate the business; and (f) maintaining key business relationships with suppliers, customers, and employees to preserve going-concern value throughout the Strategic

⁶⁹ Lynch Affidavit at para. 5.

Review and CCAA Proceedings.⁷⁰

77. The Special Committee contributed towards the success of the Strategic Review by, among other things: (a) meeting on a weekly basis with management and the Company's advisors to consider options with respect to the Strategic Review; (b) overseeing management in managing liquidity and operations to ensure continued operations through the Strategic Review; (c) participating in direct discussions with Senior Noteholders to solicit feedback and encourage alignment with the Company's strategic direction; (d) overseeing negotiations of the Sale Transactions and the Support Agreement; (e) engaging and supervising the Company's financial and legal advisors in connection with the Strategic Review, including evaluating the adequacy of the process and the reasonableness of the consideration received in connection with the Sale Transactions; (f) reviewing and approving key milestones and decisions in connection with the Sale Transactions and making recommendations to the Board of Directors; and (g) ensuring the Strategic Review was conducted in a fair, transparent, and thorough manner with a view to maximizing value for the Company's stakeholders.⁷¹

78. The directors of the Parent Company's board also contributed meaningfully to the Strategic Review by, among other things: (a) overseeing the Strategic Review and considering alternatives for the Company prior to the establishment of the Special Committee; (b) establishing the Special Committee; (c) meeting frequently to supervise the implementation of the Sale Transactions; (d) developing and designing the key employee retention program with the assistance of advisors to ensure the Company retained key employees through the Strategic Review and the CCAA Proceedings; and (e) considering alternatives in order to implement the Sale Transactions and ultimately authorizing the commencement of the CCAA Proceedings.⁷²

79. The Monitor Releasees have made significant contributions to the CCAA Proceedings in respect of the Ohio Transaction and the Delaware Transaction, in particular, and have provided material contributions, such that it is unlikely that the Ohio Transaction and the Delaware Transaction would have been achieved without the involvement of each of the Monitor Releasees.⁷³

80. The Ohio Purchaser Releasees and the Delaware Purchaser Releasees have similarly

⁷⁰ Lynch Affidavit at para. 9.

⁷¹ Lynch Affidavit at para. 10.

⁷² Lynch Affidavit at para. 11.

⁷³ Second Report at para. 35.

made significant contributions to the CCAA Proceedings and the Ohio Transaction and the Delaware Transaction, respectively, the result of which is a going-concern solution for the Company's Ohio and Delaware businesses.⁷⁴

81. The Monitor is of the view that the successful outcome for the Company and its stakeholders that the Delaware Transaction and the Ohio Transaction represent would not be possible without the D&Os' significant contributions and the contributions and involvement of the other Released Parties.⁷⁵

(C) *The Releases are fair, reasonable and not overly broad.*

82. The only claims which have been commenced against the D&Os as of the commencement of the CCAA Proceedings were certain employment related claims where certain members of management were named in addition to certain entities of the CC Group.⁷⁶ The proposed Releases do not affect these claims.

83. The Releases are significantly tailored both in terms of the Released Parties and the scope of liability being impacted. The Releases cover: (a) the current directors, officers, managers, members, employees, consultants, legal counsel and advisors of the Company; (b) the Monitor and its representatives; (c) with respect to the Ohio EPA only, Holistic and any Affiliate thereof, the New Sub, the New Sub Member (each as defined in the Ohio EPA), and their representatives; and (d) with respect to the Delaware APA only, Parma and its representatives, from any and all liabilities arising in connection with or relating to entering to the Delaware APA or Ohio EPA, as applicable, consummation of the applicable Transaction, the refreshed Strategic Review, the restructuring and sale efforts of the Applicants and the Subsidiaries, including the use of the proceeds related thereto, the CCAA Proceedings, or the Chapter 15 Proceedings.

84. The Releases do not cover former D&Os of the Company and also do not cover general liabilities that may arise from the Company's operations.

85. The scope of the Releases is consistent with or more narrow than recognized precedents outlined above. Further, the Releases explicitly carve out: (a) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA or claim with respect to any act

⁷⁴ Second Report at para. 36.

⁷⁵ Second Report at paras. 33-37.

⁷⁶ Lynch Affidavit at para. 12.

or omission that is finally determined by a court of competent jurisdiction hearing the claim to have constituted fraud, willful misconduct, or gross negligence; or (b) any obligations of any of the Released Parties under or pursuant to the Purchase Agreements or Transaction Agreements, the Ohio Sale Approval Order, or the Delaware Sale Approval Order.⁷⁷

(D) *The Applicants' restructuring could be jeopardized without the Releases.*

86. The Releases will achieve certainty and finality for the Released Parties in the most efficient and appropriate manner given the circumstances. The Releases are therefore an essential component of the Transactions.

(E) *All creditors and contractual counterparties have knowledge of the nature and effect of the Releases.*

87. The Company issued a press release announcing that it has filed for CCAA protection and entered into the Delaware APA and Ohio EPA.

88. All potentially affected stakeholders were previously served notice of the commencement of the CCAA Proceedings and were directed to the Monitor's case webpage which includes all motion materials filed in these CCAA Proceedings, including the Applicants' motion record seeking the Releases.⁷⁸

PART VII – ORDER SOUGHT

89. For the foregoing reasons, the Applicants respectfully submit that this Court grant the Delaware Sale Approval Order, the Ohio Sale Approval Order, and the Ancillary Order, in the forms requested.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 13th day of April, 2026.

Stikeman Elliott LLP

STIKEMAN ELLIOTT LLP
Counsel for the Applicants

⁷⁷ Second Report at para. 33(f).

⁷⁸ Affidavit of Scott M. Ewing sworn April 10, 2026.

**SCHEDULE “A”
LIST OF AUTHORITIES**

1. *Acerus Pharmaceuticals Corporation (Re)*, 2023 ONSC 3314
2. *Arrangement relatif à Blackrock Metals Inc.*, 2022 QCCS 2828
3. *Arrangement relatif à Lion Electric Company*, 2025 QCCS 4192
4. *Cadillac Fairview Inc., Re*, 1995 CanLII 7363 (ONSC)
5. *Elleway Acquisitions Limited v 4358376 Canada Inc.*, 2013 ONSC 7009
6. *Fire & Flower Holdings Corp (Re)*, (August 29, 2023), Toronto, Court File No. CV-23-00700581-00CL (*Approval and Reverse Vesting Order*) (ON SC)
7. *Golf Town Canada Holdings Inc (Re)* (March 29, 2018), Toronto, CV-16-11527-00CL (*CCAA Termination Order*) (ON SC)
8. *Green Growth Brands Inc et al (Re)* (May 19, 2021), Toronto, Court File No. CV-20-00641220-00CL (*Order Terminating CCAA Proceedings*) (ON SC)
9. *Green Relief Inc (Re)*, 2020 ONSC 6837
10. *Guestlogix Inc., Re*, 2016 ONSC 1348
11. *Harte Gold Corp. (Re)*, 2022 ONSC 65
12. *Karrys Bros, Ltd. (Re)*, 2014 ONSC 7465
13. *Lydian International Limited (Re)*, 2020 ONSC 4006
14. *MAV Beauty Brands Inc. et al.*, *Endorsement of Justice Cavanagh dated November 24, 2023*, at para. 7 (Court File No. CV-23-00709610-00CL)
15. *Mountain Equipment Co-Operative (Re)*, 2020 BCSC 1586
16. *Ontario Securities Commission v. Bridging Finance Inc.*, 2021 ONSC 4347
17. *Ontario Securities Commission v Bridging Finance Inc.*, 2022 ONSC 1857
18. *Plan of Arrangement of Fire & Flower Holdings Corp. et al.*, 2023 ONSC 4934
19. *Pride Group Holdings Inc. et al.*, 2025 ONSC 3915
20. *Proposition de SRTX Inc.*, 2026 QCCS 570
21. *Re Bloom Lake*, 2015 QCCS 1920
22. *Re Brainhunter Inc.* [2009] O.J. No. 5207 (Ont. Sup. Ct. J.)

23. Re Canwest Publishing Inc./Publications Canwest Inc., 2010 ONSC 2870
24. Re Danier Leather Inc., 2016 ONSC 1044
25. Re Doman Industries, 2003 BCSC 376
26. Re Golf Town Canada et al., Approval and Vesting Order granted September 30, 2016 (Court File No. CV-16-11527-00CL)
27. Re MAV Beauty Brands Inc. et al., Approval, Vesting and Distribution Order granted November 24, 2023 (Court File No. CV-23-00709610-00CL)
28. Re Nelson Education Limited, 2015 ONSC 5557
29. Re Nortel Networks Corp. (2009), 2009 CanLII 39492 (Ont. Sup. Ct. J.)
30. Re PT Holdco, Inc. et al., Approval and Vesting Order granted February 25, 2016 (Court File No. CV-16-11257-00CL)
31. Re Tool-Plas Systems Inc., 2008 CanLII 54791 (Ont. Sup. Ct. J.)
32. Royal Bank v Soundair Corp. (1991), 83 D.L.R. (4th) 76 (Ont. C.A.)
33. Sherman Estate v. Donovan, 2021 SCC 25
34. Sierra Club of Canada v. Canada (Minister of Finance), 2002 SCC 41

I certify that I am satisfied as to the authenticity of every authority.

April 13, 2026



Philip Yang

SCHEDULE "B"
TEXT OF STATUTES AND REGULATIONS

COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c C-36

Restriction on disposition of business assets

36 (3) In deciding whether to grant the authorization, the court is to consider, among other things,

(a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;

(b) whether the monitor approved the process leading to the proposed sale or disposition;

(c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;

(d) the extent to which the creditors were consulted;

(e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

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

Court File No. CL-26-00000122-0000

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
THE CANNABIST COMPANY HOLDINGS INC. AND THE CANNABIST
COMPANY HOLDINGS (CANADA) INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**FACTUM OF THE APPLICANTS
(MOTION RETURNABLE APRIL 15, 2026)**

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Lee Nicholson LSO#: 664121
Email: leenicholson@stikeman.com
Tel: +1 416-869-5604

Philip Yang LSO#: 820840
Email: PYang@stikeman.com
Tel: +1 416-869-5593

Brittney Ketwaroo LSO#: 89781K
Email: bketwaroo@stikeman.com
Tel: +1 416-869-5524

Lawyers for the Applicants