

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

**BRIEF OF THE AD HOC GROUP OF SENIOR NOTEHOLDERS  
(Company Application for CCAA Initial Order Returnable March 24, 2026)**

March 24, 2026

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## I. OVERVIEW

1. This brief is filed on behalf of the ad hoc group (the “**Ad Hoc Group**”) of holders of the 9.25% Senior Secured Notes and the 9% Senior Secured Convertible Notes due December 31, 2028 (together, the “**Senior Notes**”) co-issued by The Cannabist Company Holdings Inc. and The Cannabist Company Holdings (Canada) Inc. (collectively with their affiliates, “**Cannabist**” or the “**Company**”) pursuant to an amended and restated trust indenture dated March 29, 2025 (the “**Indenture**”).

2. The aggregate principal obligations outstanding under the Senior Notes are approximately US\$179 million (together with all other accrued interest, fees, expenses and other amounts payable under the Indenture and related security documents, the “**Senior Notes Obligations**”). The Senior Notes Obligations are secured by first-ranking liens against substantially all of the business and assets of Cannabist in Canada and the United States. There is no reasonable prospect that Cannabist will be able to repay the Senior Notes Obligations in full; holders of Senior Notes (the “**Senior Noteholders**”) are expected to suffer a significant deficiency. Accordingly, the Senior Noteholders are the only creditor group with a remaining economic interest in Cannabist.

3. The members of the Ad Hoc Group collectively hold approximately 60% of the outstanding principal amount of the Senior Notes. As described below, the members of the Ad Hoc Group are the “**Supporting Noteholders**” under the restructuring support agreement with the Company (the “**Support Agreement**”).

## II. THE RESTRUCTURING PROCESS

4. The Ad Hoc Group has a history of working collaboratively with Cannabist to support the Company’s restructuring efforts. The Senior Notes were issued under the CBCA Restructuring Transaction that was completed in May 2025, which was necessitated by Cannabist’s inability to repay secured notes coming due in June 2025. Members of the Ad Hoc Group, who held a supermajority of the secured notes, entered into a support agreement with the Company and supported the CBCA Restructuring Transaction to provide Cannabist with additional runway to address its financial and operational challenges.

5. Unfortunately, Cannabist's financial struggles have continued since the implementation of the CBCA Restructuring Transaction. It was unable to pay the interest payment that came due in respect of the Senior Notes on December 31, 2025 (the "**December Interest Payment**").

6. Despite the Company's failure to make the December Interest Payment, Cannabist and the Ad Hoc Group have worked collaboratively – consistent with the "Three C's" of the Commercial List – to implement an orderly sale and liquidation of the Company (the "**Restructuring Process**") to maximize the value of its business and assets, preserve going-concern value of the Company's businesses, and thereby protect the Senior Noteholders' recoveries.

7. Over recent months, the Ad Hoc Group and its legal and financial advisors negotiated extensively with the Company and its legal and financial advisors to determine the overall structure of the Restructuring Process and the manner in which Cannabist's operations across ten U.S. states would be addressed. Following an extensive marketing of the Company's business, and consultation among Cannabist and the Ad Hoc Group, Cannabist and the Ad Hoc Group agreed upon the following value-maximizing path forward:

(a) Cannabist's operations in Virginia, Ohio, Delaware, Colorado, Illinois, Massachusetts, Maryland, West Virginia and New Jersey (the "**Sale States**") will be sold, on a going concern basis, to the highest bidders identified in a pre-filing sale process conducted by the Company's advisors, in consultation with the Ad Hoc Group's advisors; and

(b) Cannabist's remaining operations in Pennsylvania and New York (the "**Shut Down States**") will be shut down and liquidated to minimize ongoing cash burn.

8. Pursuant to the agreed-upon Restructuring Process, the Company and its advisors, in consultation with the Ad Hoc Group and its advisors, have finalized (or is in the process of

finalizing) the following sale transactions for the Sale States identified in the pre-filing sale process:<sup>1</sup>

- (a) Cannabist’s operations in Virginia were sold to Parma HoldCo LLC (“**Parma**”) under a transaction that was chosen as the successful bid in an auction conducted in December 2025 (the “**Virginia Sale**”). The Virginia Sale closed in February 2026;
- (b) Cannabist’s operations in Ohio will be sold to Holistic Industries Inc. pursuant to an equity purchase agreement (the “**Ohio Transaction**”);
- (c) Cannabist’s operations in Delaware will be sold to Parma pursuant to an asset purchase agreement (the “**Delaware Transaction**”); and
- (d) Cannabist’s operations in Colorado, Illinois, Massachusetts, Maryland, New Jersey and West Virginia are expected to be sold in a transaction that is expected to be finalized in the near term (the “**Remaining States Transaction**”).

9. The Ohio Transaction, the Delaware Transaction and the Remaining States Transaction are expected to be completed during the CCAA proceedings. The operational shut down of the Shut Down States is scheduled to be substantially completed by no later than April 30, 2026.

10. As described above, the Restructuring Process is a sale and liquidation process through which all of the assets of the Company – which are the Senior Noteholders’ collateral – will be monetized or wound down. The net proceeds from the Restructuring Process will not be sufficient to pay the Senior Notes in full.

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<sup>1</sup> The transaction terms of the Sale States are more fully described in the Term Sheet attached as Schedule B to the Support Agreement.

### III. THE FORBEARANCE AGREEMENT AND THE SUPPORT AGREEMENT

11. Notwithstanding that the Senior Noteholders will suffer a significant deficiency on the amounts owing to them, Cannabist and the Ad Hoc Group have worked collaboratively with a view to implementing the Restructuring Process in an efficient, orderly and consensual manner in order to minimize the Senior Noteholders' losses and limit the ongoing cash burn from operations and professional fees.

12. To provide Cannabist with time and stability to implement the Restructuring Process, the members of the Ad Hoc Group entered into a forbearance agreement with Cannabist on January 30, 2026 (the "**Forbearance Agreement**") under which they agreed to forbear from exercising rights or remedies as a result of Cannabist's failure to make the December Interest Payment within the 30-day grace period provided under the Indenture. The members of the Ad Hoc Group subsequently agreed to extend the Forbearance Agreement a number of times to provide the Company with additional time while it advanced the Restructuring Process, negotiated definitive transaction agreements with purchasers of the Sale States, and prepared for an orderly commencement of these CCAA proceedings, and the companion Chapter 15 proceedings to also be commenced.

13. During the forbearance period, the Ad Hoc Group and its advisors negotiated the Support Agreement with the Company and its advisors. The Support Agreement was negotiated extensively over the course of several months to finalize the terms of the Restructuring Process that have been incrementally developed between the Company and the Ad Hoc Group and their respective advisors since October 2025. The Support Agreement was executed on March 23, 2026.

14. The Support Agreement is a fundamental and essential component of the Ad Hoc Group's support for the Restructuring Process and the commencement of these CCAA proceedings. The Support Agreement contains a comprehensive framework for the manner in which the value of Cannabist will be maximized and the Senior Noteholders' collateral will be administered. Among other things, the Support Agreement: (a) sets forth the terms of the value-maximizing Approved Restructuring Transactions that the Supporting Noteholders are prepared to support; (b) contains an agreed process for the use and distribution of the proceeds of Approved Restructuring Transactions; (c) sets forth the basis on which the Supporting Noteholders will support the

commencement of the CCAA proceedings and the implementation of the Approved Restructuring Transactions; and (d) ensures that the Restructuring Process is conducted in accordance with an agreed Weekly Cash Flow Forecast.

15. The Support Agreement, and the commitments of the Supporting Noteholders therein to support the Restructuring Process, is of significant value to the Company and its stakeholders. The Support Agreement enables Cannabist to commence the CCAA proceedings in an orderly and consensual manner with the support of its fulcrum creditor group, provides a mechanism for the approval and implementation of the Approved Restructuring Transactions, and enables all parties to focus their efforts and resources on transitioning the Sale States to purchasers on a going concern and consensual basis.

#### **IV. THE POSITION OF THE AD HOC GROUP**

16. The Senior Noteholders have a first-ranking security interest in all of the Company's assets, including cash and transaction proceeds. The Company does not have sufficient liquidity from its operations to fund these CCAA proceedings. The Senior Noteholders are funding these CCAA proceedings and the Restructuring Process by permitting the Company to retain transaction proceeds and other cash collateral that would otherwise be used to repay the Senior Notes.

17. The Company is in default of the Indenture, and the Senior Noteholders have been in a position since January 30, 2026, to exercise their rights and remedies under the Indenture and security documents. The Ad Hoc Group had a number of alternatives to entering into the Support Agreement and to supporting the commencement of these CCAA proceedings.

18. However, rather than pursuing the enforcement of its rights under the Indenture and related security documents, the Ad Hoc Group has made the decision to work collaboratively with the Company and its advisors to negotiate a consensual restructuring path pursuant to the terms set forth in the Support Agreement and, in particular, the Weekly Cash Flow Forecast determined pursuant to the Long-Term Budget. Accordingly, the Ad Hoc Group is supportive of these CCAA proceedings if – and only if – they are conducted in accordance with the Support Agreement and the Weekly Cash Flow Forecast.

19. The Initial Order sought by the Company approves the execution of the Support Agreement by Cannabist and authorizes and directs the Company to take all steps and actions in respect of, and to comply with its obligations under, the Support Agreement. This provision is a key source of protection for the Ad Hoc Group. The Ad Hoc Group is agreeing to the commencement of the CCAA proceedings and the continued debtor-in-possession operations of the Company on the basis that the Company will conduct the CCAA proceedings in accordance with the Support Agreement. It is therefore important to the Ad Hoc Group that the Company be authorized and directed to comply with its obligations under the Support Agreement from the outset of the CCAA proceedings.

20. The Ad Hoc Group will insist on Cannabist's full compliance with the Support Agreement, including operating within the Weekly Cash Flow Forecast. The Ad Hoc Group will raise any material instances of non-compliance with this Court. The Ad Hoc Group reserves all of its rights to seek relief from this Court if Cannabist fails to comply with its commitments under the Support Agreement.

21. Consistent with the "Three C's" of the Commercial List, the Ad Hoc Group and the Company have worked constructively and collaboratively over many months to develop and negotiate a consensual Restructuring Process that will preserve the going concern operation of the majority of the Company's business operations and maximize the value of Cannabist for the benefit of Senior Noteholders, who are the only creditors with a remaining economic interest in the Company. The Ad Hoc Group supports the relief sought by the Company pursuant to the Initial Order and the Amended and Restated Initial Order and expects the efficient implementation of the Restructuring Process in accordance with the terms of the Support Agreement.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 24<sup>th</sup> day of March, 2026.

*Goodmans LLP*

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**GOODMANS LLP**

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