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Superior Court of Justice - Toronto - Commercial List / Cour supérieure de justice

Court File No. CL-26-00000039-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	WEDNESDAY, THE 26TH
	)	
JUSTICE CAVANAGH	)	DAY OF AUGUST, 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 HOLDING CORP. (collectively the "**Applicants**" and each an "**Applicant**")

ORDER
(DISTRIBUTION AND STAY EXTENSION)

THIS MOTION made by Alvarez & Marsal Canada Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), 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 an extension of the stay of proceedings to and including March 5, 2027; (b) approving the Proposed Distribution Methodology (as defined in the Fifth Report of the Monitor dated August 19, 2026 (the "**Fifth Report**")); (c) authorizing and empowering the Monitor, for and on behalf of the Applicants, to make one or more cash distributions to Unsecured Creditors with Proven Claims (each as defined in the Fifth Report); (d) authorizing the Monitor to hold and maintain the Administrative Reserve (as defined in the Fifth Report); and (e) granting certain related relief, was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Motion Record of the Monitor, including the Fifth Report, and on hearing the submissions of counsel for the Monitor, and such other counsel as were present, no one else appearing for any other party although duly served as appears from the Affidavit of Service of Levi Rivers sworn August 24, 2026, as filed,

SERVICE AND DEFINITIONS

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 is properly returnable today and hereby dispenses with further service or notice thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein that are not otherwise defined have the meanings ascribed to them in the Fifth Report or the Third Amended and Restated Initial Order dated June 1, 2026.

STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period is hereby extended up to and including March 5, 2027.

DISTRIBUTION

4. **THIS COURT ORDERS** that the Proposed Distribution Methodology for the distributions to be made under this Order, as set out in the Fifth Report, is hereby approved, and the Monitor is authorized and empowered to establish, hold and maintain the Administrative Reserve and make payments therefrom on account of:

(a) estimated costs to complete the administration of the CCAA Proceedings, including professional fees and disbursements of counsel to the Applicants, the Monitor and counsel to the Monitor; and

(b) holdback amounts reserved for Unresolved Claims.

5. **THIS COURT ORDERS** that the Monitor, for and on behalf of the Applicants, is hereby authorized and empowered to make one or more cash distributions to each Unsecured Creditor holding a Proven Claim on a *pro rata*, *pari passu* basis, in accordance with the Proposed Distribution Methodology in full and final satisfaction of such claims, from the Available Cash Pool (including any tax refunds received by the Applicants in respect of any such distributions and any returned or undeliverable distributions).

6. **THIS COURT ORDERS** that all distributions shall be made in Canadian dollars regardless of the currency indicated in the Proof of Claim, calculated by the Monitor, in accordance with paragraph 8 of the Claims Procedure Order dated June 1, 2026.

7. **THIS COURT ORDERS** that, notwithstanding anything else contained in this Order or any other Order made in these CCAA Proceedings, all distributions and payments made pursuant to this Order shall be free and clear of the Charges.

8. **THIS COURT ORDERS** that, if a cheque or other instrument (a "**Cheque**") issued to an Unsecured Creditor holding a Proven Claim pursuant to the Proposed Distribution Methodology is not presented for payment to the applicable account maintained by the Monitor within 60 days of the mailing of the Cheque by the Monitor (each, an "**Uncashed Cheque**"), the Monitor is authorized and empowered to: (a) send written notice to the applicable Unsecured Creditor at the address for the Unsecured Creditor in the Monitor's records that if the Uncashed Cheque is not deposited by the Unsecured Creditor and presented for payment to the applicable account maintained by the Monitor within 20 days of the date of mailing of such notice, the Monitor is authorized to and shall stop payment on the Uncashed Cheque and the Unsecured Creditor will not be entitled to receive any funds pursuant to the distribution to which the Uncashed Cheque relates; and (b) if the Uncashed Cheque has not been presented for

payment to the applicable account maintained by the Monitor within such 20 day period, then such Unsecured Creditor shall not be entitled to receive any funds pursuant to the distributions contemplated by this Order. If a Cheque issued to an Unsecured Creditor holding a Proven Claim pursuant to the Proposed Distribution Methodology is returned to the Monitor, then such Unsecured Creditor shall not be entitled to receive any funds pursuant to the distributions contemplated by this Order.

9. **THIS COURT ORDERS** that the Monitor, for and on behalf of the Applicants, is hereby authorized and empowered to pay any *de minimis* amounts held by the Monitor following the distributions contemplated by this Order, to a registered charity selected by the Monitor, if and when determined by the Monitor, in its sole discretion.

10. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered to take any further steps that it deems necessary or desirable to complete the distributions described in this Order.

11. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these CCAA Proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("**BIA**") in respect of the Applicants and any bankruptcy order issued pursuant to any such application; and

(c) any bankruptcy order issued pursuant to any such applications or any subsequent assignment in bankruptcy made in respect of the aforementioned parties,

any distributions made pursuant to this Order are final, irreversible and shall be binding upon any trustee in bankruptcy that may be appointed in respect of the Applicants, and shall not be void or voidable by creditors of the Applicants, nor shall any such distributions constitute or be deemed to be fraudulent preferences, assignments, fraudulent conveyances, transfers-at-undervalue or other reviewable transactions under the BIA, CCAA, or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial laws and shall, upon the receipt thereof, be free of all claims, liens, security interests, charges or other encumbrances granted by or relating to the Applicants.

12. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and any other Orders in these proceedings, is hereby authorized and empowered to take such other actions and fulfill such other roles as are contemplated by the Proposed Distribution Methodology or this Order, and the Monitor may, at any time and from time to time, seek further direction of the Court with respect to its duties or other matters in respect thereof.

13. **THIS COURT ORDERS** that, in carrying out the terms of the Proposed Distribution Methodology and/or this Order, the Monitor: (a) shall have all the protections provided to it as an officer of the Court, including the protections granted pursuant to the CCAA and other Orders granted in the CCAA Proceedings, including the stay of proceedings, in its favour; and (b) shall incur no liability or obligation as a result of carrying out any duties or work in connection with the Proposed Distribution Methodology and/or this Order, whether in its personal capacity or its capacity as Monitor, save and except for any gross negligence or willful misconduct on its part.

14. **THIS COURT ORDERS** that the Monitor shall not incur any liability under the Income

Tax Act, R.S.C. 1985, c. 1 (5th Supp.); the *Taxation Act*, 2007, S.O. 2007, c. 11, Sch. A; the *Excise Tax Act*, R.S.C. 1985, c. E-15; the *Employment Insurance Act*, S.C. 1996, c. 23; the *Retail Sales Tax Act*, R.S.O. 1990, c. R.31; the *Corporations Tax Act*, R.S.O. 1990, c. C.40; or any other similar federal, provincial, or territorial tax legislation (collectively, the "**Statutes**") for facilitating the distributions contemplated by and in accordance with this Order, and the Monitor shall not have any liability for any of the Applicants' tax liabilities under the Statutes in respect of these distributions, regardless of how or when such liabilities may have arisen.

15. **THIS COURT ORDERS** that the Monitor is hereby forever released, remised and discharged from any claims against it under or pursuant to the Statutes or otherwise at law arising as a result of the distributions contemplated herein.

16. **THIS COURT ORDERS** that any Unsecured Creditor, whose address as indicated: (a) in the filed Proof of Claim or otherwise advised by the Unsecured Creditor to the Monitor in writing; or (b) on file with the Monitor on the date of a distribution, is not a Canadian address will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax on payments hereunder, subject to receipt by the Monitor of information satisfactory to it (in its sole discretion) that such Unsecured Creditor is not a non-resident. Notwithstanding any withholding or deduction, each person receiving a distribution will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental authority (including income and other tax obligations) on account of such distribution.

SUBSTANTIVE CONSOLIDATION

17. **THIS COURT ORDERS** that the estates of the Applicants (each, an "**Estate**") are hereby substantively consolidated into a single estate (the "**Consolidated Estate**") for all purposes, including, without limitation, for the purposes of the Monitor: (a) administering the

Claims and making distributions in respect of Proven Claims from the consolidated assets of the Consolidated Estate pursuant to the Proposed Distribution Methodology; and (b) carrying out its duties and responsibilities pursuant to this Order, any other Order made in these CCAA Proceedings or the CCAA.

GENERAL

18. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

19. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, the Monitor shall remain entitled to seek advice, directions or assistance from the Court in respect of the interpretation and implementation of this Order and the performance by the Monitor of its obligations under this Order and any other matters that pertain to the distributions authorized by this Order.

20. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside of Canada to give effect to this Order and to assist the Monitor and its 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

21. **THIS COURT ORDERS** that each of the Monitor and the Applicants 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.

22. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order.



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Proceedings Commenced in Toronto

DISTRIBUTION AND STAY EXTENSION ORDER

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