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 HOLDING CORP.

FIFTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

AUGUST 19, 2026

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1.0 INTRODUCTION

1.1 On January 30, 2026, Ayurcann Holdings Corp. ("**Ayurcann Parent**") and Ayurcann Inc. (together with Ayurcann Parent, the "**Initial Applicants**") obtained an initial order (the "**Initial Order**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The proceedings commenced thereby are referred to herein as the "**CCAA Proceedings**".

1.2 Among other things, the Initial Order appointed Alvarez & Marsal Canada Inc. ("**A&M**") as monitor in the CCAA Proceedings (in such capacity, the "**Monitor**"), granted an initial 10 day stay of proceedings (as extended from time to time, the "**Stay**") in favour of the Initial Applicants, extended the benefit of the Stay to Ayurcann Holding Corp. and Ayurcann Merger Sub Inc., and granted the Administration Charge and the Directors' Charge (each as defined in the Initial Order).

1.3 In connection with the CCAA Proceedings, the Monitor has provided to this Court four reports (the "**Prior Reports**"), including the Fourth Report of the Monitor dated May 29, 2026 (the "**Fourth Report**") attached hereto (without appendices) as **Appendix "A"**. The Prior Reports and other public Court-filed documents in the CCAA Proceedings are available on the Monitor's case website at: www.alvarezandmarsal.com/Ayurcann (the "**Case Website**").

1.4 On February 9, 2026, the Court granted the Amended and Restated Initial Order, which modified the Initial Order in certain respects, and extended the Stay.

1.5 As described in the Prior Reports, the Monitor, with the assistance of the Initial Applicants, conducted a stalking horse sale process in respect of the company's business and assets (the "**Sale Process**"). The Sale Process culminated in the Initial Applicants entering into an agreement of purchase and sale with Emblem Cannabis Corporation (the "**Purchaser**") dated as of March 31, 2026 (the "**Purchase Agreement**").

1.6 On April 28, 2026, the Court granted the Approval and Reverse Vesting Order (the "**ARVO**"), which, among other things:

(i) approved the Purchase Agreement, and authorized the Initial Applicants and the Monitor to take such steps and actions to complete the transactions contemplated therein (the "**Emblem Transaction**");

(ii) provided that upon the closing of the Emblem Transaction: (a) Ayurcann Inc. be removed as an Applicant in the CCAA Proceedings; (b) Ayurcann Holding Corp. ("**Residual Co.**") be added as an Applicant in the CCAA Proceedings (together with Ayurcann Parent, the "**Applicants**"); and (c) all Excluded Assets, Excluded Contracts, and Excluded Liabilities (each as defined in the ARVO) be vested into Residual Co. in accordance with the closing sequence set out in the ARVO;

(iii) granted certain releases in favour of certain Released Parties (as defined in the ARVO);

(iv) authorized and empowered the Monitor, upon delivery of a certificate of the Monitor, 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; and

(v) extended the Stay until and including June 30, 2026.

1.7 On June 1, 2026, the Court granted two orders:

(i) a Third Amended and Restated Initial Order, which, *inter alia*, extended the Stay to and including August 31, 2026; and

(ii) an order (the "**Claims Procedure Order**"), which, among other things, established a procedure for the identification and quantification of certain claims against the Applicants (the "**Claims Procedure**"), and authorized, directed and empowered the Applicants and the Monitor to take such actions as are contemplated by the Claims Procedure Order.

2.0 PURPOSE OF THIS REPORT

2.1 The purpose of this fifth report of the Monitor (the "**Fifth Report**") is to provide the Court with information regarding:

(i) the closing of the Emblem Transaction and related matters;

(ii) an update on the Claims Procedure;

(iii) the Monitor's motion for an order (the "**Distribution and Stay Extension Order**"), among other things:

(a) authorizing and empowering the Monitor to make one or more distribution to each of the unsecured creditors of the Applicants (the "**Unsecured Creditors**") holding a proven claim as finally determined in accordance with the Claims Procedure Order (a "**Proven Claim**") on a *pro rata, pari passu* basis in accordance with the Proposed Distribution Methodology (as defined herein); and

(b) extending the Stay until and including March 5, 2027.

(iv) the Monitor's conclusions and recommendations in connection with the foregoing, as applicable.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Fifth Report, A&M, in its capacity as the Monitor, has been provided with, and has relied upon, unaudited financial information and the books and records prepared by the Applicants, and has had discussions with former management of the Applicants and its legal counsel (collectively, the "**Information**"). Except as otherwise described herein:

(i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**") and, accordingly, the Monitor

expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

(ii) some of the information referred to in this Fifth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

3.2 Future oriented financial information referred to herein was prepared based on certain estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

3.3 Capitalized terms used and not defined in this Fifth Report have the meanings given to them in the Prior Reports, as applicable.

3.4 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

4.0 EMBLEM TRANSACTION

Transaction Closing

4.1 The Emblem Transaction closed on June 5, 2026, upon the delivery of a certificate of the Monitor to the Purchaser and the Applicants, confirming that: (i) the Monitor received the Purchase Price (as defined in the Purchase Agreement); (ii) the Applicants and the Purchaser provided written confirmation to the Monitor that all closing conditions set out in the Purchase Agreement had been satisfied or waived by the Applicants or the Purchaser,

as applicable; and (iii) the Emblem Transaction had been completed to the satisfaction of the Monitor.

4.2 On June 5, 2026, a copy of the Monitor's certificate was served on the Service List in the CCAA Proceedings and filed with the Court.

4.3 On the closing of the Emblem Transaction, by operation of the ARVO, Ayurcann Inc. emerged from the CCAA Proceedings, and Residual Co. became an Applicant in these CCAA Proceedings.

Transition Services Agreement

4.4 In connection with the closing of the Emblem Transaction, the Purchaser and Residual Co. entered into a transition services agreement dated June 5, 2026 (the "**Transition Services Agreement**") with respect to, among other things: (i) the provision of bank account and payroll services by Residual Co. to the Purchaser; and (ii) providing the Purchaser with access to and use of an operating facility leased by Residual Co., provided that the Purchaser shall be responsible for paying all associated rent and related costs.

4.5 The transition services are for a maximum of six months post-closing, subject to certain extensions at the Purchaser's option. On August 17, 2026, the Purchaser provided notice as to its election to extend the term of the Transition Services Agreement until March 5, 2027.

Cash Amounts Held by the Monitor

4.6 The amounts received by the Monitor upon the closing of the Emblem Transaction are currently being held by the Monitor in an interest-bearing account, including to satisfy the ongoing costs to administer the CCAA Proceedings and to make any potential distribution to creditors.

4.7 The following table provides a summary of the Purchase Price and the funds currently held by the Monitor:

Cash Amounts received by the Monitor	***(CAD $000's)***
Purchase Price	5,501
Less: DIP Repayment	(2,101)
Less: Break Fee & Expense Reimbursement paid to Stalking Horse Bidder	(264)
Net Purchase Price, paid to Monitor	**3,136**
Add: Applicants' cash on hand transferred to the Monitor	373
Add: Return of professional fee retainers	200
Less: Professional fees[1] and other costs paid by the Monitor	(914)
Available Cash Balance, as at August 14, 2026	**2,795**

4.8 As described below, the Monitor anticipates that a portion of the above cash balance will be required to fund professional fees and other costs associated with the CCAA Proceedings, with the remaining balance being distributed to creditors holding a Proven Claim.

[1] Includes professional fees relating to the period prior to and after the closing of the Emblem Transaction, for the Applicant's legal counsel, the Monitor and the Monitor's legal counsel.

5.0 UPDATE ON THE CLAIMS PROCEDURE

5.1 In this section, and the following sections of this Fifth Report, capitalized terms used but not defined herein have the meanings ascribed to them in the Claims Procedure Order.

5.2 In accordance with the terms of the Claims Procedure Order, the Monitor provided notice of the Claims Procedure to potential Claimants in the following ways:

(i) delivery of the Claims Package to each of the Known Claimants;

(ii) publication of the Claims Procedure Order, the Applicant's Motion Record in respect of the Claims Procedure Order, and the Claims Package on the Case Website;

(iii) publication of the notice of the granting of the Claims Procedure Order and the Claims Procedure in *The Globe and Mail (National Edition)*; and

(iv) delivery by the Monitor of a copy of the Claims Package to any person claiming to be a Claimant and requesting such material in writing.

5.3 Pursuant to the Claims Procedure Order, the deadline for the filing of:

(i) Pre-Filing Claims was July 16, 2026 (the "**Claims Bar Date**"); and

(ii) Restructuring Period Claims was the later of: (a) the Claims Bar Date; and (b) 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**").

5.4 Both the Claims Bar Date and the Restructuring Period Claims Bar Date for Restructuring Period Claims submitted to date have elapsed.

5.5 Pursuant to the Claims Procedure Order, the Monitor reviewed all Proofs of Claim received on or before the Claims Bar Date and the Restructuring Period Claims Bar Date, and as applicable, either accepted, revised or disallowed the classification, nature, and/or amount of each Claim.

5.6 Any Claimant whose Claim was accepted was provided with a Notice of Acceptance.

5.7 Any Claimant whose Claim was revised or disallowed was provided with a Notice of Revision or Disallowance (each, a "**NORD**"), together with the reasons for such revision or disallowance.

5.8 Any Claimant that:

(i) wished to dispute a NORD was required to send written notice to the Monitor by completing a Notice of Dispute of Revision or Disallowance (each, a "**Notice of Dispute**") by no later than 5:00 p.m. (Eastern Time) on the date that was 14 Calendar Days after the date the Claimant is deemed to have received the NORD; or

(ii) received a NORD and failed to submit a Notice of Dispute within such period is deemed to have accepted the classification, amount and nature of the Claim as set out in the NORD for distribution purposes and is now barred from asserting or pursuing the Claim in an amount that exceeds the amount set out in the NORD.

Summary of Claims Filed

5.9 As of the Claims Bar Date, the Monitor received 28 Proofs of Claim totalling approximately $19.6 million of asserted Claims against the Applicants. A summary of filed Claims is set out in the following table:

Summary of Claims Filed		***(CAD $000's)***
Claim Type	#	Amount
Pre-Filing Claims	18	15,989
Restructuring Period Claims	10	3,646
Total Claims Filed	**28**	**19,635**

5.10 The Monitor notes that of the asserted Claims, 11 Proofs of Claim in the amount of $6.6 million were asserted against Ayurcann Holdings Corp., and 17 Proofs of Claim in the amount of $13.0 million were asserted against Ayurcann Inc.

Status of Review and Assessment of Claims

5.11 The following is a summary of the claims reviewed as at the date of this Fifth Report:

(i) 12 Claims, totalling approximately $518,000, have been admitted as filed and the Monitor has issued a Notice of Acceptance to each of these Claimants; and

(ii) 16 Claims are subject to a NORD issued by the Monitor and the time for Claimants to respond by way of a Notice of Dispute has not yet expired. The 16 NORDs issued represent an aggregate allowed amount of approximately $14.3 million, and represent a total of approximately $4.8 million in disallowed claims.

Status of Claim Review						*(CAD $000's)*
	Claim as Filed		NORD		Allowed Amount	
Status / Type	**#**	**$**	**#**	**$**	**#**	**$**
Resolved Claims						
Pre-Filing Claims	10	512	-	-	10	512
Restructuring Period Claims	2	6	-	-	2	6
Total Resolved Claims	12	518	-	-	12	518
Unresolved Claims						
Pre-Filing Claims	8	15,476	8	(1,137)	8	14,340
Restructuring Period Claims	8	3,640	8	(3,628)	8	12
Total Unresolved Claims	16	19,117	16	(4,765)	16	14,352
Total Claims	**28**	**19,635**	**16**	**(4,765)**	**28**	**14,870**

Illustrative Recoveries in a Non-Consolidated Scenario

5.12 The Monitor has prepared an illustrative analysis of estimated creditor recoveries assuming a scenario where the Applicants' entities are treated as separate estates (the "**Non-Consolidated Recoveries Analysis**"). Based on the Non-Consolidated Recoveries Analysis, the Monitor estimates that creditors with a Proven Claim against:

(i) Ayurcann Holdings Corp. would receive a recovery in the range approximately 1.5% to 3.8%; and

(ii) Ayurcann Inc. would receive a recovery in the range of approximately 18.8% to 20.0%.

Illustrative Non-Consolidated Recoveries Analysis		***(CAD $000's)***
	Ayurcann Holdings Corp.	**Ayurcann Inc.**
Available Cash Balance (per above)	-	2,795
Less: Estimated professional fees to complete the Claims Procedure	-	(250)
Less: Estimated other costs to complete the CCAA Proceedings	(100)	(100)
Add: Anticipated HST refund from the CRA	200	-
Estimated Available Cash Pool Available for Distribution[2]	**100**	**2,445**
Number of Claims	*11*	*17*
Low Recovery:		
Total Claims as Filed	6,619	13,016
Illustrative Low Recovery	***1.5%***	***18.8%***
High Recovery:		
Total Claims as Currently Accepted	2,646	12,224
Illustrative High Recovery	***3.8%***	***20.0%***

Illustrative Estimated Creditor Recoveries

5.13 As described in the following section, the proposed Distribution and Stay Extension Order contemplates substantively consolidating the estates of the Applicants for the purpose of administering Claims and making distributions in these CCAA Proceedings.

5.14 The following is an illustrative range of estimated recoveries based on information available as at the date of this Fifth Report (the "**Illustrative Recoveries Analysis**").

[2] Cash balances included above are for illustrative purposes only, and do not contemplate certain adjustments that may be required, including for the allocation of costs associated with these CCAA Proceedings and for administering the Claims Procedure.

Illustrative Recoveries Analysis (Consolidated)	***(CAD $000's)***
Available Cash Balance (per above)	2,795
Less: Estimated professional fees to complete the Claims Procedure	(250)
Less: Estimated other costs to complete the CCAA Proceedings	(200)
Add: Anticipated HST refund from the CRA	200
Estimated Available Cash Pool Available for Distribution	**2,545**
Low Recovery:	
Total Claims as Filed	19,635
Illustrative Low Recovery	***13.0%***
High Recovery:	
Total Claims as Currently Accepted	14,870
Illustrative High Recovery	***17.1%***

5.15 Based on the Illustrative Recoveries Analysis, the Monitor estimates that Claimants with an accepted claim will receive *pro rata* recovery in the range of approximately 13.0% to 17.1% of the amount of a Proven Claim.

5.16 The Monitor cautions that the Illustrative Recoveries Analysis and the Non-Consolidated Recoveries Analysis are for illustrative purposes only and are subject to change based on, among other things: (i) approval by the Court of the proposed substantive consolidation of the Applicants' estates; (ii) the outcome of the Monitor's review and determination of the Unresolved Claims; (iii) the final amount of the Administrative Reserve (as defined herein) and other costs required to complete these CCAA Proceedings; and (iv) any other adjustments required before distributions are made.

6.0 SUBSTANTIVE CONSOLIDATION

6.1 The Monitor seeks an order that, if granted, will substantively consolidate the estates of Ayurcann Parent and Residual Co. for the purpose of administering Claims and making distributions in these CCAA Proceedings.

6.2 The Illustrative Recoveries Analysis and the Non-Consolidated Recoveries Analysis indicate that substantive consolidation is expected to materially increase estimated recoveries for creditors of Ayurcann Parent from approximately 1.5% to 3.8% in a non-consolidated scenario to approximately 13.0% to 17.1% in a consolidated scenario. Conversely, substantive consolidation would lower estimated recoveries for creditors of Ayurcann Inc. from approximately 18.8% to 20.0% in a non-consolidated scenario to approximately 13.0% to 17.1% in a consolidated scenario.

6.3 While creditors of Ayurcann Inc. are expected to receive lower recoveries on a consolidated basis, the relative impact varies across the illustrative scenarios and is more limited in the high-recovery scenario. When considered alongside the material increase in estimated recoveries available to creditors of Ayurcann Parent, the Monitor is of the view that substantive consolidation provides an overall benefit to the Applicants' creditor body.

6.4 In the Monitor's view, substantive consolidation of the Applicants' estates is appropriate in the circumstances, as Ayurcann Parent (Ayurcann Holdings Corp.) and Ayurcann Inc.:

(i) were operationally integrated, sharing common facilities, telephone numbers, website and other business infrastructure. In some instances, supply agreements were entered into by Ayurcann Parent for goods and services supplied to Ayurcann Inc., and *vice versa*;

(ii) shared common employees and had one payroll register;

(iii) utilized only one centralized bank account and cash management process between the two entities, with consolidated accounting and commingled cash, which was used to pay expenses and obligations of both entities;

(iv) Ayurcann Parent's financial reporting consolidated the financial statements of Ayurcann Inc.;

(v) the entities shared common management and were operated as part of a single corporate group, with Ayurcann Parent serving as the public-company holding entity;

(vi) the DIP financing was provided to Ayurcann Inc. and guaranteed by Ayurcann Parent; and

(vii) cash was transferred and used among the entities without consistent entity-specific allocation, observance of corporate formalities or cash management policies.

6.5 As a result of the Initial Applicants' integrated operations and centralized cash management, the Monitor does not believe that the Applicants' cash and related obligations can be reliably segregated on an entity-by-entity basis. In particular, an effort to trace and allocate historical cash movements and expenses between the Initial Applicants would be time-consuming, costly and uncertain, and would likely reduce the funds available for distribution to creditors.

6.6 In the absence of substantive consolidation, the Monitor would be required to allocate the Applicants' available cash amounts (the "**Available Cash Pool**"),[3] past cash movements, professional costs and other administration expenses between the Applicants despite the historical manner in which they operated and managed cash. The Monitor is of the view that this exercise would not produce a reliable result or be proportionate to the funds available for distribution.

6.7 Substantive consolidation will allow the Monitor to administer the estates efficiently and make distributions from the Available Cash Pool to the Applicants' Unsecured Creditors holding a Proven Claim.

6.8 The Monitor is of the view that this approach is fair and reasonable in the circumstances and that the benefits of consolidation outweigh any potential prejudice arising from separate estate administration.

6.9 Accordingly, the Monitor respectfully recommends that the Court grant an order substantively consolidating the estates of the Applicants for the purposes of making distributions to the Applicants' Unsecured Creditors and for the remaining administration and wind-down of these CCAA Proceedings.

7.0 DISTRIBUTION

7.1 The Monitor proposes that this Court grant the proposed Distribution and Stay Extension Order, which, among other things, authorizes and empowers the Monitor, for and on behalf of the Applicants, to make one or more cash distributions from the Available Cash Pool to

[3] The Available Cash Pool is comprised of the Applicants' cash on hand less estimated professional fees and other costs required to complete the Claims Procedure and to complete the CCAA Proceedings.

each of the Applicant's Unsecured Creditors holding a Proven Claim on a *pro rata, pari passu* basis, in full and final satisfaction of such claims.

7.2 The proposed Distribution and Stay Extension Order also provides for the approval of a distribution methodology (the "**Proposed Distribution Methodology**"), which provides as follows:

(i) each Unsecured Creditor holding a Proven Claim will receive a pro rata distribution of the Available Cash Pool up to the maximum amount of their Proven Claim amount;

(ii) all distributions will be made in Canadian dollars. Any Proven Claim denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate on the Filing Date, which for United States dollars is USD 1: CAD 1.3562;

(iii) the Monitor, in its sole discretion, may make one or more distributions to Unsecured Creditors, for and on behalf of the Applicants, from funds held in the Available Cash Pool;

(iv) any Person who was required to but did not assert a Proven Claim in accordance with the Claims Procedure Order shall not be entitled to a distribution and is forever barred from making or enforcing such claim, and such claim is extinguished;

(v) the Monitor, on behalf of the Applicant, is authorized to establish, hold and maintain a reserve from the funds held by the Monitor on behalf of the Applicants, and distributable to Unsecured Creditors, to pay all remaining professional fees and

disbursements of counsel to the Applicants, the Monitor and counsel to the Monitor in respect of the CCAA Proceedings and other costs for completion of the winddown of the CCAA Proceedings (the "**Administrative Reserve**"). As noted above, the Monitor currently estimates the Administrative Reserve to be $250,000; and

(vi) any Claimant may transfer its Claim in accordance with the Claims Procedure Order, provided that neither the Applicants nor the Monitor shall be obligated to deal with the transferee of such Claim, including the making of any distribution in respect of such Claim to such transferee, unless and until written notice of such transfer or assignment, together with evidence satisfactory to the Monitor, has been received by the Monitor and the Monitor has provided written confirmation acknowledging the transfer or assignment of such Claim prior to the distributions being made. In the event the Monitor has not acknowledged such assignment prior to the distributions being made, the distributions will be made to the transferor of such Claim.

7.3 The Applicants have no known secured creditors and the Monitor is not aware of any remaining statutory priority claims, deemed trust claims, CCAA Court-approved charges, or other claims that would rank in priority to the Proven Claims (other than the Administration Charge). With the exception of the Administration Charge, each of the other Charges has been terminated as follows:

(i) in accordance with paragraph 24 of the ARVO, the Bid Protections Charge was terminated, released and discharged upon the Monitor's payment of the Bid Protections to Auxly;

(ii) in accordance with paragraph 41(e) of the Third ARIO and paragraph 24 of the ARVO, the DIP Lender's Charge was terminated, released and discharged upon the repayment of all obligations owing under the Amended and Restated DIP Agreement;

(iii) pursuant to paragraph 36 of the ARVO, the Directors' Charge was automatically terminated, released and discharged upon the closing of the Emblem Transaction; and

(iv) the KERP Charge described in paragraph 44 of the Third ARIO was terminated, released and discharged upon the KERP payments being made to the KERP recipients.

7.4 As noted above, the Monitor anticipates that the Administrative Reserve will be sufficient to satisfy any remaining professional fees or disbursements secured by the Administration Charge.

7.5 The Proposed Distribution Methodology and Distribution and Stay Extension Order contains procedures applicable to distributions that cannot be completed due to uncashed or returned cheques. In the Monitor's view, these provisions are commonly included in distribution protocols to provide a transparent and efficient basis to address unanticipated distribution challenges. In the event that, due to incomplete distributions, a residual

undistributed amount remains, the Distribution and Stay Extension Order provides that Monitor will be authorized and empowered to pay such *de minimis* amounts to a registered charity selected by the Monitor if the Monitor determines, in its sole discretion, that the cost of making any distribution of such amounts would be prohibitive in relation to the quantum of the distribution available.

7.6 The Monitor is of the view that the Proposed Distribution Methodology is fair and allows for distributions in an efficient manner.

7.7 If the proposed Distribution and Stay Extension Order is granted, this will facilitate the wind-down of the Applicants estate in a timely manner and the termination of the CCAA Proceedings.

8.0 STAY EXTENSION

8.1 The Stay currently expires on August 31, 2026.

8.2 The Monitor proposes that the Court extend the Stay to March 5, 2027 for the following reasons:

(i) the extended Stay will provide the necessary time for the Monitor and the Applicants to continue the ongoing review of the Unresolved Claims and make the proposed distributions;

(ii) the extended Stay is required to provide the necessary stability and certainty to enable the Monitor to facilitate the wind-down of the CCAA Proceedings, including through the outside maturity date of the Transition Services Agreement, being March 5, 2027;

(iii) a portion of the Available Cash Pool is expected to provide sufficient liquidity to fund the remaining costs anticipated during the wind-down of the CCAA Proceedings (and any related wind-down proceedings such as formal bankruptcies);

(iv) the Applicants, with the assistance and oversight of the Monitor, continue to act, in good faith and with due diligence; and

(v) the Monitor does not believe that any creditor will be materially prejudiced by the extended Stay.

9.0 ACTIVITIES OF THE MONITOR

9.1 Since the date of the Fourth Report, the primary activities of the Monitor have included the following:

(i) assisting the Applicants and the Purchaser in connection with the closing of the Emblem Transaction and certain post-closing and transition-related matters;

(ii) assisting the Applicants with communications to employees, suppliers and other stakeholders in connection with the closing of the Emblem Transaction and related matters;

(iii) following the closing of the Emblem Transaction, assisting the Applicants and the Purchaser with various matters contemplated by the Transition Services Agreement;

(iv) administering the Claims Procedure, including performing/coordinating the noticing activities required under the Claims Procedure Order, preparing the

reconciliation of submitted claims with the assistance of the Applicants' former management, and responding to questions from vendors and other third parties regarding the Claims Procedure;

(v) engaging in discussions with the Applicants' former management, as well as the Applicants' legal counsel, regarding the CCAA Proceedings, including wind-down activities;

(vi) monitoring cash receipts and disbursements;

(vii) updating the Case Website and coordinating the posting of Court-filed documents to the Case Website;

(viii) responding to creditor and other inquiries received via the Monitor's toll-free number and email account for the CCAA Proceedings; and

(ix) with the assistance of its counsel, preparing this Fifth Report.

10.0 MONITOR'S RECOMMENDATION

10.1 For the reasons set out in this Fifth Report, the Monitor respectfully recommends that the Court grant the proposed Distribution and Stay Extension Order.

All of which is respectfully submitted to this Court this 19th day of August, 2026.

ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Monitor of Ayurcann Holdings Corp. *et al*.

Per: _____
Josh Nevsky
Senior Vice President

APPENDIX A
FOURTH REPORT OF THE MONITOR

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

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SUPERIOR COURT OF JUSTICE
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FOURTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

MAY 29, 2026

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Appendix B – Updated Cash Flow Forecast for the Period Ending September 4, 2026

1.0 INTRODUCTION

1.1 On January 30, 2026, Ayurcann Holdings Corp. ("**Ayurcann Parent**") and Ayurcann Inc. ("**Ayurcann**" and together with Ayurcann Parent, the "**Applicants**" or the "**Company**") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an initial order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The proceedings commenced by the Applicants under the CCAA are referred to herein as the "**CCAA Proceedings**".

1.2 The Initial Order, among other things: (i) appointed Alvarez & Marsal Canada Inc. ("**A&M**") as monitor of the Applicants (in such capacity, the "**Monitor**"); (ii) granted an initial 10 day stay of proceedings (as extended from time to time, the "**Stay**"); (iii) extended the benefit of the Stay to Ayurcann Holding Corp. and Ayurcann Merger Sub Inc. (the "**Non-Applicant Stay Parties**"); and (iv) granted the Administration Charge and the Directors' Charge (each as defined in the Initial Order).

1.3 On February 9, 2026, the Court granted the Amended and Restated Initial Order (the "**ARIO**"), which modified the Initial Order in certain respects. The ARIO, among other things, extended the Stay in favour of the Applicants and the Non-Applicant Stay Parties up to and including February 27, 2026.

1.4 On February 13, 2026, the Court granted:

(i) an order, which among other things: (a) authorized the Monitor, with the assistance of the Applicants, to conduct a sale process to solicit interest in a potential transaction in respect of the Company's business and assets (the "**Sale Process**");

and (b) approved the stalking horse purchase agreement between the Applicants and Auxly Cannabis Group Inc. ("**Auxly**") as the "**Stalking Horse Bid**" in the Sale Process; and

(ii) an order (the "**Second ARIO**"), which among other things: (a) extended the Stay in favour of the Applicants and the Non-Applicant Stay Parties up to and including April 30, 2026; and (b) approved an interim debtor-in-possession financing facility in the amount of $2,000,000 (the "**DIP Facility**") and granted the DIP Lender's Charge (as defined in the Second ARIO).

1.5 On April 28, 2026, the Court granted an order (the "**Approval and Reverse Vesting Order**"), which, among other things:

(i) approved the agreement of purchase and sale dated March 31, 2026 (the "**Purchase Agreement**") between the Applicants and Emblem Cannabis Corporation ("**Emblem**" and in such capacity, "**Purchaser**"), 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 "**Emblem Transaction**");

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

(iii) approved the addition of Ayurcann Holding Corp. ("**Residual Co.**") as an Applicant in the CCAA Proceedings and the vesting of all Excluded Assets,

Excluded Contracts, and Excluded Liabilities into Residual Co. in accordance with the closing sequence set out in the Approval and Reverse Vesting Order;

(iv) 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, free and clear from any Encumbrances;

(v) ordered that Ayurcann be removed as an Applicant in the CCAA Proceedings in accordance with the closing sequence set out in the Approval and Reverse Vesting Order;

(vi) granted certain releases in favour of certain Released Parties;

(vii) terminated, released and discharged the Directors' Charge as of the Closing Time;

(viii) 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; and

(ix) extended the Stay in favour of the Applicants and the Non-Applicant Stay Parties up to and including June 30, 2026.

1.6 Additional details regarding the Applicants and the circumstances leading to, and the steps taken in, the CCAA Proceedings are set out in the Pre-Filing Report of the Proposed Monitor dated January 29, 2026 (the "**Pre-Filing Report**"), the First Report of the Monitor dated February 6, 2026 (the "**First Report**"), the Second Report of the Monitor dated

February 11, 2026 (the "**Second Report**"), the Supplement to the Second Report dated February 12, 2026 (the "**Supplemental Second Report**") and the Third Report dated April 24, 2026 (the "**Third Report**", together with the Pre-Filing Report, the First Report, the Second Report, the Supplemental Second Report, and the Third Report, the "**Prior Reports**"). The Prior Reports and other public Court-filed documents in the CCAA Proceedings are available on the Monitor's case website at: www.alvarezandmarsal.com/Ayurcann (the "**Case Website**"). A copy of the Third Report is attached hereto (without appendices) as **Appendix "A"**.

1.7 This fourth report of the Monitor (the "**Fourth Report**") should be read in conjunction with the affidavit of Igal Sudman, Chief Executive Officer of Ayurcann, sworn May 28, 2026 (the "**Fifth Sudman Affidavit**"). Capitalized terms used and not defined in this Fourth Report have the meanings given to them in the Prior Reports or the Fifth Sudman Affidavit, as applicable.

2.0 PURPOSE OF THIS REPORT

2.1 The purpose of this Fourth Report is to provide the Court with information regarding, and where applicable, the Monitor's views on:

(i) the Applicants' motion for a Third Amended and Restated Initial Order (the "**Third ARIO**"), which, effective upon the payment to Auxly pursuant to the DIP Assignment (as defined below) of an amount equal to the obligations owing under the existing DIP Facility (the "**Payout Amount**"):

(a) approves Ayurcann's ability to borrow under an amended and restated debtor-in-possession credit facility (the "**Amended and Restated DIP**

Facility" and the agreement related thereto, the "**Amended and Restated DIP Agreement**");

(b) replaces Auxly in its capacity as the original DIP Lender (in such capacity, the "**Original DIP Lender**") with Emblem (in such capacity, the "**Replacement DIP Lender**");

(c) increases the DIP Lender's Charge, which will be in favour of the Replacement DIP Lender upon payment of the Payout Amount, up to a maximum amount of $3,000,000, plus accrued and unpaid interest, fees and expenses; and

(d) extends the Stay to and including August 31, 2026 (the "**Stay Extension**");

(ii) the Applicants' motion for an Order (the "**Claims Procedure Order**"), which, among other things:

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

(b) authorizes, directs and empowers the Applicants and the Monitor to take such actions as are contemplated by the Claims Procedure Order;

(iii) the Applicants' cash flow results for the five-week period ended May 22, 2026;

(iv) the Applicants' updated cash flow forecast for the 15-week period ending September 4, 2026;

(v) the activities of the Monitor since the date of the Third Report; and

(vi) the Monitor's conclusions and recommendations in connection with the foregoing.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Fourth Report, A&M, in its capacity as the Monitor, has been provided with, and has relied upon, unaudited financial information and the books and records prepared by the Company, and has had discussions with management of the Company and its legal counsel (collectively, the "**Information**"). Except as otherwise described in this Fourth Report in respect of the Company's Cash Flow Forecast (as defined below):

(i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

(ii) some of the information referred to in this Fourth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

3.2 Future oriented financial information referred to in this Fourth Report was prepared based on the Company's management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are

not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

3.3 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

4.0 UPDATE ON EMBLEM TRANSACTION

4.1 Since the date of the Third Report, the Applicants and the Purchaser, with the assistance of the Monitor, have continued to advance the closing of the Emblem Transaction. The Monitor understands that new employment agreements were delivered to retained employees on May 25, 2026, and the form of substantially all of the closing documents has now been settled.

4.2 As of the date of this Fourth Report, 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. The Monitor understands that representatives of Health Canada have advised the Applicants that the Health Canada Assessment is progressing in accordance with established timelines with an anticipated completion date within weeks if not sooner.

4.3 The outside date of the Emblem Transaction was originally May 15, 2026 (as extended from time to time, the "**Outside Date**"). Due to delays related to the pending completion of the Health Canada Assessment, the Applicants and the Purchaser initially agreed to extend the Outside Date to May 29, 2026. The Applicants and the Purchaser have now

agreed to further extend the Outside Date to June 30, 2026 pursuant to the Purchase Agreement Amendment (as defined below).

4.4 The Stalking Horse Bid, which had previously been approved as the Back-Up Bid, became non-binding on May 15, 2026. As such, the Emblem Transaction represents the only remaining binding transaction available to the Applicants.

5.0 AMENDED AND RESTATED DIP FACILITY

5.1 The Original DIP Lender and Emblem are finalizing the terms of an assignment of debt and security (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. In connection with the DIP Assignment, the Applicants and the Replacement DIP Lender have finalized the Amended and Restated DIP Agreement.

5.2 As reflected in the Updated Cash Flow Forecast (as defined below), the Applicants are not projected to have sufficient liquidity to repay the existing DIP Facility, while also satisfying their post-filing obligations as they become due. Absent additional financing, the Applicants are expected to experience a liquidity shortfall in the immediate term. In the circumstances, the Monitor understands that the Applicants are seeking approval of the Amended and Restated DIP Facility, which, if approved, is expected to fund the Applicants' ordinary course obligations and maintain operations pending closing of the Emblem Transaction.

5.3 The Monitor has reviewed the proposed Amended and Restated DIP Facility. Other than the increase of $2,000,000 to $3,000,000, the terms of the Amended and Restated DIP

Facility are substantially the same as the existing DIP Facility. As reflected in the Updated 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.

5.4 The Purchase Agreement has been amended, with signature pages in escrow, to allow Emblem to credit bid any indebtedness owing under the Amended and Restated DIP Facility at closing (the "**Purchase Agreement Amendment**"). In addition, and in accordance with Section 7.8 of the Purchase Agreement, the purchase price will be adjusted upward on a dollar-for-dollar basis for all amounts advanced under the Amended and Restated DIP Facility in excess of the original DIP Facility Limit (the "**Purchase Price Adjustment**").

5.5 The Purchase Price Adjustment has been designed such that the net cash proceeds derived from the Purchase Price (i.e., net of the credit bid) will not be impacted by the $1 million increase to the availability under the Amended and Restated DIP Facility. Said another way, the funds available for distribution to the Applicants' creditors are materially the same as under the original Purchase Agreement. Accordingly, no creditor will be prejudiced by the Amended and Restated DIP Facility or the increase to the funding availability contemplated therein.

5.6 The Monitor has been consulted throughout the negotiations and supports the Amended and Restated DIP Facility as appropriate in the circumstances. The Monitor understands that the Original DIP Lender and the Replacement DIP Lender have also advised that they support the proposed relief.

6.0 CLAIMS PROCEDURE ORDER[1]

6.1 The Applicants are seeking approval of the Claims Process to identify, quantify and resolve Claims that exist against the Applicants.

6.2 The Monitor assisted with the development of the proposed Claims Process, which will be conducted by the Monitor in consultation with the Applicants. Following the identification of the universe of Claims through the Claims Process, the Applicants intend to return to Court to seek relief to effect a distribution to creditors.

6.3 The key terms of the Claims Process are set out more fully in the Fifth Sudman Affidavit and are summarized below.

Notice to Claimants

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

(i) 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 Case Website as soon as practicable following the granting of the Claims Procedure Order;

[1] Capitalized terms used in this section have the meanings given to them in the proposed Claims Procedure Order.

(ii) cause a notice of the granting of the 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)*;

(iii) 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

(iv) 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 Case Website in respect of such Restructuring Period Claim.

6.5 Pursuant to the proposed Claims Procedure Order, the Claims Packages will contain copies of an Instruction Letter, Notice Letter, Proof of Claim form, and such other materials as the Monitor and the Applicants may consider appropriate or desirable, each in the forms attached as schedules to the Claims Procedure Order.

6.6 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.

Filing of a Proof of Claim

6.7 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.

6.8 The Claims Bar Date is 5:00 p.m. (Eastern 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 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.

6.9 The Monitor was consulted in determining the applicable Bar Dates and supports the Claims Bar Date and other timelines contemplated under the proposed Claims Procedure Order, which it believes are appropriate in the circumstances.

6.10 The proposed Claims Procedure Order does not affect Excluded Claims, and any Person holding an Excluded Claim is not required to file a Proof of Claim in respect of it. Excluded Claims include: (i) any Claim secured by any of the CCAA Charges, including any Claim of the DIP Lender under the DIP Agreement; (ii) any intercompany claims solely 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.

Determination of Claims

6.11 Under the proposed Claims Procedure Order, the Monitor and the Applicants will review all Proofs of Claim received by the applicable Bar Dates. The Monitor, in consultation with

the Applicants, will then accept, revise, or disallow, in whole or in part, the Classification, Nature, and amount of each Claim for voting and distribution purposes.

6.12 Based on the Company's books and records, the Monitor believes that the pool of third-party creditors is relatively small in this case and well-defined, with approximately 35 known creditors, plus additional anticipated claims for terminated employees and certain contractual agreements not included in the Emblem transaction which may trigger certain damages claims.

6.13 The Monitor will notify each Claimant of the outcome by sending a Notice of Acceptance, Revision or Disallowance. Any notice of revision or disallowance will include reasons.

6.14 A Claimant wishing to dispute a Notice of Acceptance, Revision or Disallowance must deliver a written Notice of Dispute of Revision or Disallowance to the Monitor within fourteen (14) Calendar Days of the date the Notice was sent, by no later than 5:00 p.m. (Eastern Time). A Claimant that does not file a Notice of Dispute of Revision or Disallowance within that period will be deemed to have accepted the Classification, Nature, and amount of the Claim as set out in the Notice for voting and distribution purposes.

6.15 The Monitor and the Applicants will review all Notices of Dispute of Revision or Disallowance. If the Monitor, in consultation with the Applicants, is unable to resolve a Disputed Claim with a Claimant satisfactorily, the Monitor will notify the Applicants and the Claimant and refer the Disputed Claim to a Claims Officer in accordance with the Claims Procedure Order, the Court, or such alternative dispute resolution forum as may be

ordered by the Court or agreed to by the Monitor, the Applicants and the applicable Claimant.

Monitor's Recommendation regarding Claims Process

6.16 In the Monitor's view, the proposed Claims Process is fair and appropriate in light of the purpose of the process and the nature of the CCAA Proceedings. The Claims Process Order is efficient and will facilitate the identification of Claims against the Applicants and/or their Directors and Officers in a fair and expeditious manner. The proposed Bar Dates are reasonable. The direct notification and publication of notice to potential Claimants will make the Claims Process widely distributed and publicized.

6.17 For the reasons set out above the Monitor supports the granting of the proposed Claims Procedure Order.

7.0 STAY EXTENSION

7.1 The Stay currently expires on June 30, 2026. The Applicants are requesting an extension of the Stay Period until and including August 31, 2026.

7.2 The Monitor supports the request for an extension of the Stay for the following reasons:

(i) it will provide some additional time to receive the required approvals from Health Canada and complete the Emblem Transaction;

(ii) it will enable the Monitor to carry out the proposed Claims Process and thereafter return to the Court to seek a distribution order;

(iii) the Applicants have been acting, and continue to act, in good faith and with due diligence;

(iv) the Monitor does not believe that any creditor will be materially prejudiced by the Stay Extension; and

(v) subject to Court approval of the Amended and Restated DIP Facility, the Applicants are projected to have sufficient liquidity to fund their operations until August 31, 2026.

8.0 CASH FLOW RESULTS RELATIVE TO FORECAST

8.1 Receipts and disbursements for the five-week period from April 18, 2026 to May 22, 2026, as compared to the cash flow forecast attached as Appendix "A" to the Third Report (the "**Cash Flow Forecast**"), are summarized here:

Cash Flow Variance Report			
(CAD $000s, unaudited)	Actual	Forecast	Variance
Receipts			
AR Collections	3,269	1,551	1,718
Transaction - Proceeds	--	5,004	(5,004)
Total Receipts	**3,269**	**6,555**	**(3,286)**
Disbursements			
Payroll & Benefits	(433)	(459)	26
Sales and Marketing	(1,374)	(1,541)	167
Excise Taxes	(927)	(1,402)	475
Sales Taxes	(132)	(19)	(113)
Office and General	(480)	(419)	(61)
Professional Fees	(442)	(466)	24
KERP	--	(66)	66
Transaction - Bid Protections	--	(264)	264
Total Disbursements	**(3,789)**	**(4,637)**	**848**
Net Cash Flow	**(520)**	**1,918**	**(2,438)**
Beginning Cash	1,398	1,398	--
Net Cash Flow	(520)	1,918	(2,438)
DIP – Cash Draws	1,000	(705)	1,705
Ending Cash	**1,878**	**2,611**	**(733)**

8.2 As at May 22, 2026, Ayurcann's cash balance was approximately $1.9 million, and $1.5 million had been drawn under the existing DIP Facility.

8.3 The majority of the variances detailed above are attributed to the delay in the closing of the Emblem Transaction and the related proceeds and disbursements associated with the Emblem Transaction, which are now included in the Updated Cash Flow Forecast (as defined and described below).

9.0 UPDATED CASH FLOW FORECAST

9.1 Ayurcann, with the assistance of the Monitor, has prepared an updated cash flow (the "**Updated Cash Flow Forecast**") for the 15-week period ending September 4, 2026 (the "**Cash Flow Period**"). A copy of the Updated Cash Flow Forecast, together with a summary of assumptions (the "**Cash Flow Assumptions**"), are attached hereto as **Appendix "B"**.

9.2 A summary of the Updated Cash Flow Forecast is set out in the following table:

Ayurcann **Cash Flow Forecast**	**15-Weeks** **$000's**
Receipts	
AR Collections	2,663
Transaction – Proceeds	6,063
Total Receipts	**8,726**
Disbursements	
Payroll & Benefits	(552)
Sales and Marketing	(2,502)
Excise Taxes	(2,601)
Sales Taxes	(70)
Office and General	(278)
Restructuring Professional Fees	(652)
KERP	(66)
Transaction – Bid Protections	(264)
Total Disbursements	**(6,985)**
Net Cash Flow	**1,741**
Opening Cash Balance	1,878
Net Cash Flow	1,741
DIP Draws	1,000
DIP Facility Repayment	(2,620)
Ending Cash Balance	**$1,999**

9.3 The Monitor notes the following:

(i) AR collections include the collection of existing accounts receivable and forecast sales prior to the closing of the Emblem Transaction;

(ii) transaction proceeds represent the Purchase Price (as defined in the Purchase Agreement Amendment) payable in cash on the Closing Date;

(iii) payroll and benefits include salaries, benefits, and related payroll taxes;

(iv) sales and marketing include the cost of supplies and materials relating to product sales together with other selling expenses required for operations;

(v) office and general include non-merchandise vendor payments, including rent, insurance and other expenses;

(vi) restructuring professional fees include the fees of Ayurcann's counsel, the Monitor and the Monitor's counsel; and

(vii) DIP draws / (repayment) reflects a draw of $1.0 million in the week ending June 5, 2026 under the Amended and Restated DIP Facility and repayment of the outstanding Amended and Restated DIP Facility balance on the Closing Date of approximately $2.6 million, including fees and accrued interest.

9.4 During the Cash Flow Period, net cash flows are projected to be $1.7 million, which are forecast to be funded by cash on hand, the draw of $1.0 million in the week ending June 5, 2026 under the Amended and Restated DIP Facility and the sale proceeds to be received in connection with completion of the Emblem Transaction.

Monitor's Review

9.5 Based on the Monitor's review,[2] nothing has come to its attention that causes it to believe, in all material respects that: (i) the Cash Flow Assumptions are not consistent with the purpose of the Updated Cash Flow Forecast; (ii) as at the date of this Fourth Report, the Cash Flow Assumptions are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Updated Cash Flow Forecast, given the Cash Flow Assumptions; or (iii) the Updated Cash Flow Forecast does not reflect the Cash Flow Assumptions.

10.0 ACTIVITIES OF THE MONITOR

10.1 Since the date of the Third Report, the primary activities of the Monitor have included the following:

(i) engaging in meetings with Emblem and the Applicants related to the transition of the business and closing matters, including the preparation and delivery of retained employees' offers of employment;

(ii) correspondence with Health Canada to address diligence requests and advance the Health Canada Assessment process;

[2] The Monitor has reviewed the Updated Cash Flow Forecast to the standard required of a Court-appointed Monitor by section 23(1)(b) of the CCAA. Section 23(1)(b) requires a Monitor to review the debtor's cash flow statement as to its reasonableness and to file a report with the Court on the Monitor's findings. Pursuant to this standard, the Monitor's review of the Updated Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to information supplied to it by the Company's key members of management. The Monitor reviewed information provided by management for the Cash Flow Assumptions. Since the Cash Flow Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Updated Cash Flow Forecast.

(iii) providing the Original DIP Lender with updates about the CCAA Proceedings and Emblem Transaction closing;

(iv) monitoring the Applicants' cash receipts and disbursements, assisting in preparing weekly cash flow variance reporting and assisting in preparing the Updated Cash Flow Forecast;

(v) updating the Case Website and coordinating the posting of Court-filed documents to the Case Website;

(vi) responding to creditor and other inquiries received via the Monitor's toll-free number and email account for the CCAA Proceedings;

(vii) reviewing and commenting on the Applicants' materials filed in support of the relief sought in the Third ARIO and Claims Procedure Order;

(viii) assisting with the negotiations relating to the Purchase Agreement Amendment and the Amended and Restated DIP Facility; and

(ix) with the assistance of its counsel, preparing this Fourth Report.

11.0 MONITOR'S RECOMMENDATION

11.1 For the reasons set out in this Fourth Report, the Monitor respectfully recommends that the Court grant the Third ARIO and Claims Procedure Order in the form sought by the Applicants.

All of which is respectfully submitted to this Court this 29th day of May, 2026.

ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Monitor of Ayurcann Holdings Corp. *et al*.

Per: _____
Josh Nevsky
Senior Vice President

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 A PLAN OF COMPROMISE OR ARRANGEMENT AYURCANN HOLDINGS CORP. AND AYURCANN INC.

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

FIFTH REPORT OF THE MONITOR

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