COURT FILE NUMBER	**2401-17986**
COURT	**COURT OF KING'S BENCH OF ALBERTA**
JUDICIAL CENTRE	**CALGARY**
PROCEEDING	**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c. C-36, as amended** **AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.**
DOCUMENT	**THIRD REPORT OF THE MONITOR** **MARCH 11, 2025**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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1.0 Introduction

1. On May 29, 2024 (the "**Filing Date**"), 420 Investments Ltd. ("**420 Investments**"), 420 Premium Markets Ltd. ("**420 Premium Markets**"), and Green Rock Cannabis (EC 1) Limited ("**Green Rock"** and collectively, the "**NOI Entities**") each filed a Notice of Intention to Make a Proposal ("**NOI**"), pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "**BIA**") (the "**NOI Proceedings**"). KSV Restructuring Inc. ("**KSV**") consented to act as proposal trustee (the "**Proposal Trustee**") in the NOI Proceedings.

2. On September 19, 2024, the NOI Entities and 420 Dispensaries Ltd. ("**Dispensaries**" and together with the NOI Entities, the "**Applicants**") sought and obtained an initial order (the "**Initial Order**") from the Court of Kings' Bench of Alberta (the "**Court**") granting, among other things, a continuation of the NOI Proceedings under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c C-36, as amended (the "**CCAA**") (the "**CCAA Proceedings**"). This report (the "**Third Report**") is filed by KSV in its capacity as monitor (the "**Monitor**") in the CCAA Proceedings.

1.1 NOI Proceedings Background

1. On June 27, 2024, the NOI Entities were granted an Order by the Court (the "**First Stay Extension Order**") which included, amongst other matters, relief for the following:

   a) extending the period in which the NOI Entities could make proposals to their creditors in the NOI Proceedings and the stay of proceedings up to and including August 12, 2024;

   b) consolidating the NOI Proceedings for procedural purposes;

   c) approving a key employee retention plan (the "**KERP**");

   d) granting the following charges against the NOI Entities' current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property), and wherever situated, including all proceeds thereof (collectively the "**Property**") in the following relative priorities:

i. First – a charge to not exceed $300,000 as security for the fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, Bennett Jones LLP ("**Bennett Jones**"), and the NOI Entities' counsel, Stikeman Elliott LLP ("**Stikeman**") (the "**Administration Charge**");

ii. Second – a charge in favour of the NOI Entities' directors and officers to a maximum amount of $433,000 (the "**D&O Charge**"); and

iii. Third – a charge in favour of certain key employees for amounts payable under the KERP up to a maximum amount of $373,928.17 (the "**KERP Charge**", and together with the Administration Charge and the D&O Charge, the "**Charges**").

2. On August 12, 2024, the Court granted two orders, which, amongst other matters:

a) extended the period in which the NOI Entities could make a proposal to its creditors and the stay of proceedings from August 12, 2024 up to and including September 26, 2024; and

b) provided direction to the Commercial Coordinator to schedule a half-day application for the appeal of the order for summary judgment granted by Applications Judge J.R. Farrington to be heard by the Honourable Justice Feasby on October 8, 2024.

1.2 CCAA Proceedings Background

1. The Initial Order granted, among other things, the following relief within the CCAA Proceedings:

a) declaring the NOI Proceedings of the NOI Entities is taken up and continued under the CCAA, pursuant to section 11.6(a) of the CCAA;

b) terminating the NOI Proceedings;

c) granting a stay of all proceedings, rights, and remedies against or in respect of the Applicants not exceeding 10 days following the Initial Order (the "**Stay Period**"); and

d) confirming the granting and priority of the Charges pursuant to the First Stay

Extension Order in the NOI Proceedings and taking up such Charges and amounts under the CCAA Proceedings except for the KERP Charge, which was to be reduced based on the amounts paid out to date to eligible recipients.

2. On September 19, 2024, the Court granted the Applicants' application for an amended and restated initial order ("**Amended and Restated Initial Order**"), which, amongst other matters, extended the Stay Period to, and including, December 16, 2024.

3. Further, on September 19, 2024, the Court granted the Applicants' application for an order (the "**Claims Procedure Order**") approving the solicitation, determination and resolution of claims against the Applicants (the "**Claims Procedure**").

4. On October 2, 2024, the Court granted the Applicants' application for an order (the "**SISP Order**") which approved, amongst other matters, a sale and investment solicitation process ("**SISP**").

5. On December 5, 2024, the Court granted the Applicants' application for an Order to extend the Stay Period from December 16, 2024 to February 25, 2025 and sealing certain confidential appendices to the Monitor's first report, dated November 29, 2024 (the "**First Report**").

6. On February 14, 2025, the Court granted:

   a) the Applicant's application for an order, among other things, extending the Stay Period to, and including, March 31, 2025; and

   b) the Monitor's application for an order, among other things, declaring that the Late Claims (as defined in the Monitor's second report, dated February 7, 2025 (the "**Second Report**")) are not barred under Section 12 of the Claims Procedure Order.

1.3 High Park Litigation Background

1. As more fully described in the first report of the Proposal Trustee, dated June 24, 2024 (the "**Proposal Trustee's First Report**"), on August 28, 2019, 420 Investments entered into an arrangement agreement (the "**Arrangement Agreement**") with High Park Shops Inc. ("**High Park**") and Tilray Inc. ("**Tilray**") pursuant to which High Park and Tilray would purchase the outstanding shares of 420 Investments.

2. On February 26, 2020, the Arrangement Agreement was terminated by High Park and Tilray (the "**Termination**"). In the Applicants' view, the Termination resulted in damages in excess of $130 million. As a result, on February 21, 2020, 420 Investments commenced litigation against Tilray and High Park in the Court (the "**Litigation**"). The outcome of the Litigation has yet to be determined. In response High Park submitted a counter-claim for payment of the amounts owed to them under a secured loan agreement (the "**Counter-Claim**").

3. In early 2024, High Park obtained a summary judgement in respect of their Counter-Claim. This summary judgement was then overturned pursuant to an appeal heard by the Honourable Justice Feasby on October 8, 2024 (the "**Feasby Decision**"). High Park has appealed the Feasby Decision and that appeal is to be heard on April 17, 2025.

1.4 Purposes of this Third Report

1. This Third Report is intended to provide the Court with further information related to the relief sought in the Applicants' application scheduled for March 14, 2025 and specifically provides information regarding:

   a) an update on the Claims Procedure;

   b) the Monitor's comments and report on the Applicants' cash flow statement for the period commencing on February 3, 2025 and ending March 2, 2025 (the "**Sixth Cash Flow Statement**");

   c) the Applicants' actual performance to date versus the Sixth Cash Flow Statement;

   d) the Monitor's comments and report on the Applicants' cash flow statement for the period commencing on February 24, 2025 and ending May 25, 2025 (the "**Seventh Cash Flow Statement**");

   e) the key elements of the Applicants' purposed plan of arrangement (the "**Plan**");

   f) a comparison of the estimated recoveries to the Applicants' accepted unsecured creditors ("**Affected Creditors**") holding Affected Claims (as defined in the Plan

and discussed in Section 3.2.1(b) below) under the Plan to their estimated recoveries in a sale scenario of the Applicants' assets (the "**Sale Scenario**");

g) the Applicants' application for an order (the "**Meeting Order**"), which among other things, sets the date for a meeting for the purpose of considering and voting on the Plan, being 10:00 A.M. (Calgary Time) on April 3, 2025 (the "**Creditors' Meeting**");

h) how Affected Creditors can attend and vote at the Creditors' Meeting;

i) discuss the next steps in these proceedings if the Meeting Order is granted and Required Majority of Affected Creditors vote to accept the Plan;

j) the Applicants' application for an order, which among other things extends the Stay Period to, and including, April 30, 2025;

k) the Monitor's application for an order, which among other things, seals the Monitors analysis of the Joint Bid (as defined below), until the termination of these CCAA Proceedings or further order of the Court; and

l) the Monitor's views on the Plan.

2. This Third Report also provides information with respect to the application filed on March 7, 2025 by High Park which requests the following relief:

a) authorizing and directing the Monitor to resume the SISP as soon as reasonably practical, by publishing on its website a timeline and key milestones for qualified bidders to submit a binding bid and the subsequent steps to complete the SISP (the "**Resumed SISP**"); and

b) empowering and authorizing, but not obligating, the Monitor to do all the things reasonably necessary to complete the Resumed SISP, including to review and evaluate all bids submitted in the Resumed SISP, to identify and select the highest or otherwise best bid or bids, and to apply to the Court for orders approving any successful bids, in each case without the consent of, or in consultation with, the Applicants (the "**Resumed SISP Order**").

1.5 Scope and Terms of Reference

1. In preparing this Third Report, the Monitor has relied upon the Applicants' unaudited financial information, books and records, information available in the public domain and discussions with the Applicants' management ("**Management**") and Stikeman.

2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Third Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.

3. An examination of the Seventh Cash Flow Statement as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Third Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information, and these variations may be material. The Monitor does not express any opinion or other form of assurance on whether the Seventh Cash Flow Statement will be achieved.

4. This Third Report should be read in conjunction with the materials filed by the Applicants, including the Affidavits of Scott Morrow, the Chief Executive Officer of the Applicants, sworn June 19, 2024, August 6, 2024, September 10, 2024, November 25, 2024, February 3, 2025, and March 4, 2025, and any supplemental affidavit filed by the Applicants in advance of the March 14, 2025 application (collectively, the "**Morrow Affidavits**"), and the materials filed by High Park on March 7, 2025. Capitalized terms not defined in this Third Report have the meanings ascribed to them in the Morrow Affidavits.

1.6 Currency

1. Unless otherwise noted, all currency references in this Third Report are in Canadian dollars.

1.7 Court Materials

1. Court materials filed in these proceedings are made available by KSV on its case website at www.ksvadvisory.com/experience/case/420 (the "**Case Website**").

2.0 Claims Procedure

1. Following the pronouncement of the Claims Procedure Order, the Monitor has worked diligently to conduct the Claims Procedure in accordance with the timelines set out therein, and more particularly described in the Monitor's pre-filing report and third report of the Proposal Trustee dated September 13, 2024, and the Monitor's first report, dated November 29, 2024. During the Claims Procedure the Monitor has issued 5 notices of disallowance or revisions ("**NORD**") to various creditors, certain of which are more fully described in Sections 2.2 and 2.3 below (the "**Revised Claims**"). As of the date of this Third Report, the Monitor was not aware of any objections filed in response to the Revised Claims although the appeal period for certain NORDs remain open.

2. The following tables summarizes the value of accepted claims in the Claims Procedure as of the date of this Third Report (collectively the "**Accepted Claims**"):

Claim Type	420 Investments Ltd. ($)	420 Premium Markets Ltd. ($)	Green Rock Cannabis (EC1) Limited ($)	420 Dispensaries Ltd. ($)	Duplicate Claims Filed in Multiple Entities ($)[1]	Total ($)
Secured Claims	11,457,077	390,000	-	-	-	**11,847,077**
Unsecured Claims:						
Trade Creditors	475,245	399,059	321	-	(26,050)	**848,575**
Landlord Creditors	1,272,703	2,242,864	-	189,651	(1,462,354)	**2,242,864**
Shareholder Loans	384,518	-	-	-	-	**384,518**
Intercompany	-	7,000,000	-	-	-	**7,000,000**
Total	**$13,589,544**	**$10,031,923**	**$321**	**$189,651**	**($1,488,406)**	**$22,323,034**

[1] Several creditors filed duplicate claims against a number of the Applicants (the "**Duplicate Claims**"). Duplicate trade creditor claims relate to amounts filed by Stikeman on 420 Premium Markets and 420 Investments. Duplicate landlord creditor claims relate to $807,651 and $465,052 which were filed by Palisades Edmonton Holdings Ltd., et al. and RioCan Management Inc., respectively, against 420 Premium Markets and also against 420 Investments for indemnities relating to the disclaimed leases. Additionally, $189,651 was filed by the landlord creditor, Strathcona Building Inc. c/o Skyslimit Inc., under 420 Premium Markets and also Dispensaries. The Duplicate Claims are removed for the purposes of determining the claim totals and for the purposes of detailing the landlord claim settlements discussed below.

2.1 Secured Claims

1. Secured claims filed on 420 Investments are comprised of: (i) approximately $1.06 million filed by the Applicants' secured creditor, Nomos Capital I-A LP; plus (ii) approximately $10.4 million filed by High Park.

2. The Monitor has reached an agreement with High Park to currently not value their claim in accordance with the Claims Procedure in order to avoid prejudicing any determination that may be made in the Litigation as it relates to their claim. High Park is treated as an Unaffected Creditor in the Plan.

3. The Secured claim filed against 420 Premium Markets was made by Stoke Canada Finance Corp. and was originally filed for the principal balance of $300,497. The amount in the table above reflects the principal balance of the secured claim plus an estimate of the interest and costs accrued since the Filing Date.

2.2 Landlord Claims

1. As discussed in the Second Report, the Applicants had originally sought a declaration from this Court that the claims of the landlords subject to certain disclaimed leases were to be calculated pursuant to the formula enumerated under section 65.2(4) of the BIA.

2. Prior to the Applicant's application heard on February 12, 2025, the Applicants elected to negotiate and enter into individual settlement agreements with each landlord for the sole purpose of valuing their claim within the Plan. Of the four landlord parties, three reached a negotiated settlement (the "**Settled Landlord Claims**"). The negotiated settlement reached between each of the parties does not prevent the landlords from disputing the valuation of their claim if the Plan does not go forward, is voted down, or is not sanctioned by the Court. A summary of the Settled Landlord Claims are below:

420 Premium Ltd.	Total Unsecured Claim in the Claims Procedure	Settled Landlord Claim for Purposes of the Plan
Palisades Edmonton Holdings Ltd., et al.	807,651	237,186
RioCan Management Inc.	465,052	281,551
Strathcona Building Inc. c/o Skyslimit Inc.	189,651	123,115
Total Settled Landlord Claims	**1,462,354**	**641,852**
The Meadowlands Development Corporation (*see below*)	780,508	780,508
Total Landlord Claims	**2,242,864**	**1,422,361**

3. Meadowlands Development Corporation ("**Meadowlands**") was the only landlord that did not reach a settlement with the Applicants prior to this Third Report. Meadowlands originally filed its claim against 420 Premium Markets as an unsecured pre-filing claim for $803,007 and an unsecured restructuring claim for $83,907, for a total unsecured claim of $886,914. After a review of the claim evidence provided by Meadowlands, the Monitor issued a NORD, which adjusted the creditor's claim down to a total of $780,508 to reflect the actual costs incurred relating to pre-filing additional rent arrears. The adjustments reflected in the NORD were based on discussions between Bennett Jones and Meadowland's legal counsel on February 27, 2025. The NORD remains subject to the dispute resolution process period, in accordance with the Claims Procedure Order

2.3 Intercompany Claims

1. Intercompany claims in the amount of $35.7 million were filed between the Applicants pursuant to the Claims Procedure (the "**Intercompany Claims**"). The Monitor, together with Bennett Jones, reviewed the Intercompany Claims to determine whether those Intercompany Claims validly constituted debts in the CCAA Proceedings or were more properly characterized as equity. Ultimately, the Monitor issued several NORDs resulting in $7 million of the Intercompany Claims being considered an Accepted Claim in accordance with the Claims Procedure. A summary of the Monitor's findings is below.

Jurisprudence

2. The Monitor, and Bennett Jones, reviewed the jurisprudence regarding the characterization of non-arm's length intercompany advances (the "**Advances**"). In

particular, the Monitor and Bennett Jones, reviewed the decision of Justice Witon-Siegel in US Steel[2], which has been subsequently followed in Alberta in the decision of Justice Romaine in Lexin[3]. The Monitor applied the frameworks arising from these decisions in reaching its conclusions, namely that the determination of whether the Intercompany Claims were properly characterized as debt or equity must address not only the expressed intentions of the Applicants, but also the manner in which the relevant transactions were implemented and the economic reality of the surrounding circumstances. The Monitor further reviewed the two-part test outlined in U.S. Steel for situations involving parent-subsidiary relationships, namely:

a) subjectively, did the alleged lender actually expect to be repaid the principal amount of the loan with interest out of the cashflows of the alleged borrower; and

b) objectively, was the expectation reasonable under the circumstances.

3. The Monitor further considered that the US Steel and Lexin decisions enumerated several factors that can be considered, noting however that these are no more than an aid in determining substantive reality and should not be used in a "score-card" manner. The Monitor's focus was on the manner in which the transactions giving rise to the Intercompany Claims were implemented and the underlying economic reality of those transactions.

Subjective Intention

4. In discussions with the Management of the Applicants and correspondence with Stikeman, the Monitor understands that 420 Investments intended that all transactions recorded in its books and records and identified in proofs of claim were debt advances that would ultimately be repaid, with interest, out of the cash flows of 420 Premium Markets. Management and Stikeman explained that 420 Investments has no direct operations from which it could raise revenue and all intercompany amounts could therefore only be repaid to the original source of financing when 420 Investments was repaid by 420 Premium Markets. Based on this explanation, the Monitor has determined that there was a subjective intention that the Intercompany Claims be

[2] See *Re US Steel Canada Inc*, 2016 ONSC 569 ("***US Steel***")

[3] See Alberta Energy Regulator v Lexin Resources Ltd., 2018 ABQB 590 ("***Lexin***")

repaid as debt.

Objective Reasonableness

5. The Monitor, and Bennett Jones, reviewed the objective information provided by the Applicants in relation to the Intercompany Claims. This included: (i) the proofs of claim submitted; (ii) the books and records of the Applicants; (iii) a summary of the transactions recording the Advances giving rise to the Intercompany Claims; (iv) a summary of the conversion of certain Advances from debt to equity post Advance; and (v) explanations provided by Management related to the usage of these Advances for working capital and operational purposes.

6. The Monitor's reviewed determined that there were no specific written agreements related to the Intercompany Claims other than the recording of the Advances in the books and records of the Applicants. Accordingly, there were no set maturity dates for repayment or enumerated interest repayment obligations, nor were the Advances secured. While this is a factor that may in some cases be indicative of equity advances, the Monitor is cognizant of comments by Justice Wilton-Seigel in US Steel that it is common in wholly owned parent/subsidiary relationships for intercompany advances that are classified as debt to not be extensively documented and that there is nothing improper arising from a lack of documentation.

7. The Monitor further reviewed a summary of the initial source of the capital into 420 Investments (whether the funds were raised through shareholder loans or contributions or raised from arm's length sources) and whether the nature of those source amounts changed over time. The Monitor determined that the majority of the amounts were initially raised through convertible debts that were ultimately converted into equity between September 2020 and March 2024. Additionally, a small amount was repaid to the original lender.

8. Of the amounts that were not converted and remained outstanding debt obligations owing by 420 Investments include:

    a) $7,000,000 advanced by High Park; and

    b) $340,000 advanced by certain shareholders.

9. Due to the shareholder relationship underlying the $340,000 advances (and because

those amounts were advanced as unsecured claims that are subject to the Plan) the Monitor determined that subsequent Intercompany Claims could not be fairly characterized as debt in these CCAA Proceedings.

10. Based on the above, the Monitor determined that $7,000,000 of the Intercompany Claims (the "**Accepted Intercompany Claims**") can be considered debt and thus an Accepted Claim pursuant to the Claims Procedure, for the following reasons:

    a) the Accepted Intercompany Claim was initially advanced from an arm's length party to 420 Investments;

    b) the Accepted Intercompany Claim, together with other intercompany transfers, flowed to 420 Premium Markets between 2019 and 2020 as reflected in the books and records of the Applicants;

    c) the intended source of repayment of the Accepted Intercompany Claim is from the cash flows of 420 Premium Markets; and

    d) all funds were used for working capital purposes to fund the operations of 420 Premium Markets.

11. Based on the foregoing, the Monitor has determined that the manner in which the transactions were implemented and the underlying economic reality of the Accepted Intercompany Claim results in a proper characterization of those advances as debt and thus a valid Accepted Claim under the Claims Procedure.

3.0 The Plan

1. Sections 3 and 4 of this Third Report provide summaries of the Plan and the Meeting Order, but do not address each and every provision of the Plan and the Meeting Order. Accordingly, creditors should carefully read the Plan and the Meeting Order in their entirety and should consult such advisors as they consider necessary. In particular, creditors should review whether or not they are affected under the Plan. In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Third Report and the Plan or the Meeting Order, the provisions of the Plan or the Meeting Order, as applicable, govern.

2. The Monitor understands that the Applicants will be filing certain amendments to the

Plan to clarify that the Affected Creditors will include the unsecured creditors of 420 Investments. At the time of the developed of the Plan, the Applicants anticipated that the unsecured claims of 420 Investments would be classified as claims against 420 Premium Markets, however this has not occurred as of the date of this Third Report. The Monitor's analysis of the Plan assumes these proposed amendments are made to the Plan.

3. Capitalized terms not defined in Sections 3 and 4 below are as defined in the Plan or the Meeting Order, as applicable.

3.1 Purposes of the Plan

1. The Plan is presented with the expectation that stakeholders who have an economic interest in the Applicants will derive greater benefit from the implementation of the Plan than they would from a sale of the Applicants' assets and/or a wind-up of the business.

2. The overall purposes of the Plan are to:

    a) provide for a settlement and payment of all Affected Claims (which include all unsecured claims against 420 Investments and 420 Premium Markets);

    b) provide a mechanism for the distribution of the Creditor Cash Pool, along with the election for the Litigation Proceeds Election or Parent Share Election to provide for a full recovery to the Affected Creditors, contingent on the outcome of the Litigation and the future value of the shares of 420 Investments; and

    c) ensure the continuation of the operations of the Applicants and continue the Litigation for the benefit of stakeholders.

3.2 Terms and Conditions of the Plan

1. The following section provides an overview of the key aspects of the Plan.

   a) **Classification of Creditors:** the Plan has two classes of creditors for the purpose of considering and voting on the Plan, being the "**Affected Creditors Class**"[4] and the "**Stoke Claim**".

   b) **Persons Affected:** the Plan provides for a compromise, settlement and/or payment over time of the Affected Claims. The Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. An Unaffected Claim means an Excluded Claim, which is any right or claim that would otherwise be a Claim that is:

      i. secured claims filed against 420 Investments;

      ii. a Claim secured by the Charges;

      iii. a Crown Claim;

      iv. Employee Priority Claim

      v. an Accepted Intercompany Claim;

      vi. a Post-Filing Claim; and

      vii. a Claim enumerated in Sections 5.1(2) and 19(2) of the CCAA[5].

   c) **Convenience Class Creditors:** a Convenience Class Creditor is an Affected Creditor with an Accepted Claim that is owed less than or equal to $10,000. Convenience Class Creditors are to be paid their claims in full up to a maximum amount of $10,000.

[4] This incorporates the Plan amendments discussed in Section 3.0.2.

[5] Refers to claims that: (a) relate to contractual rights of one or more creditors; (b) claims based on allegations of misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors; and/or (c) arose by virtue of a fine, penalty, restitution order, damages by a court in civil proceedings in respect of bodily harm intentionally inflicted, sexual assault or wrongful death, fraud, embezzlement, misappropriation, defalcation or interest on any of the foregoing.

As at the date of this Third Report, there are four Affected Creditors with Accepted Claims less than or equal to $10,000[6]. Pursuant to the Plan, a Convenience Class Creditor shall be deemed to have voted the full value of its Accepted Claim in favour of the Plan. Affected Creditors with claims more than $10,000 can elect to be treated as a Convenience Class Creditor.

d) **Distribution to Creditors:**

i. **Convenience Class Creditors:** on the Implementation Date, each Convenience Class Creditor will receive, in full satisfaction of its Accepted Claim, a cash payment in the amount equal to the lesser of the following:

- its Accepted Claim; and
- $10,000;

ii. **Affected Creditors Other than Convenience Class Creditors:** on the Implementation Date, each Affected Creditor with Accepted Claims, other than a Convenience Class Creditor, will receive, in full satisfaction of such Accepted Claim, a Cash Payment on the Implementation Date, and shall additionally receive their choice of a Litigation Proceeds Payment at a later date as more fully described under the Litigation Proceeds Election Process, or Parent Share Conversion Payment as more fully described in the Parent Share Conversion Election Process[7]. The Litigation Proceeds Election Process and Parent Share Conversion Election are collectively defined herein as the "**Election Consideration**";

iii. **Parent Share Conversion:** an Affected Creditor may elect to receive Parent Shares equating to the full value of an Affected Creditor's Claim, less any amounts received through participation in the Creditor Cash Pool; and

iv. **Litigation Proceeds Payment:** an Affected Creditor may also elect to receive the Litigation Proceeds Payment upon their election to choose the

[6] Includes Atripco Delivery Service, City of Medicine Hat, Zeiffmans LLP, and Roxboro Group Inc.

[7] The valuation and mechanics of the Election Consideration have yet to be determined as of the date of this Third Report.To the extent possible, the Monitor will provide further supplemental reporting prior to the Meeting, should such Meeting be ordered by this Court.

Litigation Proceeds Payment, less any amounts received through participation in the Creditor Cash Pool.

e) **Resolution of Disputed Claims:** an Affected Creditor with a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of such Disputed Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Claim becomes an Allowed Affected Claim in accordance with the Meeting Order and the Claims Procedure Order. Distributions pursuant to and in accordance with this Plan shall be paid or distributed in respect of any Disputed Claim that is finally determined to be an Allowed Affected Claim.

f) **Intercompany Creditors:** pursuant to the Plan, Intercompany Claims will not be entitled to a vote in the Plan, to receive a cash payment, or be able to exercise any election including the Litigation Proceeds Payment or the Parent Share Conversion. The Monitor understands that the Intercompany Claims are unaffected and will survive following the Plan Implementation Date.

g) **Other Features of the Plan:**

i. **Releases:** as detailed in Section 8 of the Plan, approval of the Plan contemplates releases of all claims of Affected Creditors (other than obligations created under the Plan) against: (a) the Applicants, the Directors, the Officers, and the Applicants' current and former employees, advisors, legal counsel and agents, (b) the Monitor and its legal counsel, and (c) any other Person who is a beneficiary of a release under the Plan. The Monitor understands that the Applicants will make submissions regarding the appropriateness of the Releases in advance of a Sanction Order hearing (should one occur) and the Monitor will provide further commentary regarding the proposed Releases at such time; and

ii. **Approval:** if the Plan is accepted by the Required Majority of the Affected Creditors at the Creditors' Meeting, the Applicants shall apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set. Pursuant to the Meeting Order, the Applicants have scheduled a hearing on April 24, 2025 at which they intend to bring an application seeking the Sanction Order.

h) **Conditions Precedent:** implementation of the Plan is subject to the following material conditions:

i. the Plan shall have been accepted by the Required Majority of the Affected Creditors forming the Unsecured Creditors' Class at the Creditors' Meeting;

ii. the Sanction Order shall have been granted by the Court;

iii. the Plan Implementation Fund and Administrative Expense Reserve shall have been paid to the Monitor; and

iv. all agreements, resolutions, documents, and other instruments, which are reasonably necessary to be executed and delivered in order to implement the Plan or perform its respective obligations under the Plan or the Sanction Order, shall have been executed and delivered, and shall be in form and in content satisfactory to the Applicants.

i) **Estimated Distributions on the Implementation Date:** the table below reflects the distribution of the Creditor Cash Pool available to Affected Claims, which are estimated to be $1.4 million (being 55 cents on the dollar value of remaining Affected Claims, after accounting for the full payment being made for the Stoke Claim and Convenience Class Creditors).

Description	Amount ($000s)
Funds Available for Distribution (estimated)	1,850
Stoke Claim[8]	(390)
Convenience Claims Creditor payout (estimated)	(16)
Estimated Distribution	**1,444**
Total Affected Claims (excluding Convenience Class Creditors)	2,639[9]
Estimated Return Payable in Cash	**55%**[10]

[8] Includes an estimate of interest incurred through to the Plan Implementation Date.

[9] Total Affected Claims is calculated as the total of $848,575 in unsecured trade creditor claims; [+] $384,518 in unsecured shareholder loans; [+] $1,422,361 in Landlord Claims; [-] approximately $16,000 in Convenience Class Creditors.

[10] The remaining 45% recovery may result from the Election Consideration. The Monitor notes it cannot assign any monetary value to either shares received (as they are for an illiquid private company that is currently in CCAA Proceedings) and the Litigation Proceeds Payment is highly conditional on the results of the Litigation.

3.3 Plan Funding

1. As described in the Second Report, the Applicants executed a term sheet on January 9, 2025 (the "**Term Sheet**") for the purposes of obtaining funding to implement the Plan.

2. On February 7, 2025 the definitive loan agreement subject to the Term Sheet was finalized and signed by all parties (the "**Plan Funding Loan Agreement**"). The terms and conditions of the Plan Funding Loan Agreement reflect the Term Sheet and are described in the Second Report. Notably, the funding available under the Plan Funding Loan Agreement is conditional on both creditor approval and Court Sanction of the Plan.

3. On March 3, 2025, the Monitor obtained a comfort letter from a third-party financial institution confirming the lender for the Plan Funding Loan Agreement had the financial capacity to fund pursuant to the Plan Funding Loan Agreement. The Monitor is advised that the lender is familiar with CCAA Proceedings and understands the current process to seek approval of the Plan.

4.0 Meeting Order

1. Pursuant to the Meeting Order, the Creditors' Meeting is to be convened virtually at 10:00 A.M. (Calgary time) on April 4, 2025, for the purpose of considering and voting on a resolution to accept the Plan.

2. The only persons entitled to attend the Creditors' Meeting are: (i) Affected Creditors or their Proxies who have duly registered in accordance with the Electronic Meeting Protocol (which is appended as Schedule "A" to the Meeting Order and available on the Website); (ii) representatives of the Applicants; (iii) representatives of the Monitor; (iv) the Chair; (v) any other person invited to attend by the Chair; and (vi) legal counsel to any person entitled to attend the Creditors' Meeting.

3. Affected Creditors who would like to attend the Creditors' Meeting are required to: (i) complete and sign an Affected Creditor Proxy; (ii) specify within the Affected Creditor Proxy the name of the Person with the power to attend and vote at the Creditors' Meeting on behalf of the Affected Creditor; and (iii) deliver such Affected Creditor Proxy to the Monitor by email at apoeschek@ksvadvisory.com by 5:00 p.m. (Calgary

time) on the date that is two Business Days prior to the Creditors' Meeting (i.e., by 5:00 p.m. (Calgary Time) on April 2, 2025).

4. As part of the Creditors' Meeting, the Chair is required to direct a vote on the resolution to approve the Plan. Each Affected Creditor with a Voting Claim, other than a Convenience Class Creditor, shall be entitled to one vote equal to the dollar value of its Affected Claim as at the Filing Date and can either vote for or against the Plan. For voting purposes, a Convenience Class Creditor shall be deemed to have voted the full value of its Accepted Claim in favour of the Plan. The only Persons entitled to vote at the Creditors' Meeting are Affected Creditors with Voting Claims. Intercompany Creditors cannot vote in favour of the Plan.

5.0 Monitor's Assessment of the Plan

1. The Applicants have made significant efforts to prepare the Plan and to obtain funding to allow for the distributions under the Plan outlined above. The Applicants have prepared the Plan in a manner they believe achieves a result that is a fair and reasonable compromise between the Applicants and the Affected Creditors, while leaving the secured claims (whether conditional or not) of 420 Investments unaffected.

2. It is a condition of the Plan that the Affected Creditors must approve the Plan by the Required Majority. For greater certainty, the Affected Creditors shall not be bound by the terms of the Plan unless a Required Majority votes to approve the Plan. The Plan must be then sanctioned by the Court. If the Plan is not approved or sanctioned, it is likely that the Applicants must liquidate the Applicants' business, which could be completed through a further/reopened SISP in these CCAA Proceedings or in a bankruptcy. However, the failure of a Plan will not necessarily result in an immediate bankruptcy of one or more of the Applicants. Moreover, it would remain open to the Applicants to advance a further revised plan of compromise and arrangement.

3. As described in Section 2 of the Second Report, the Monitor, together with the Applicants, carried out the SISP in accordance with the SISP Order. The SISP resulted in a total of five interested parties who submitted eight binding offers or proposals. Following a review completed by the Applicants of the bids received within the SISP, the Applicants determined the Plan would provide for better recoveries for the Affected Creditors.

4. Notwithstanding the Applicants ultimate decision to proceed with the Plan, conducting the SISP has proved useful for the Monitor in determining the potential liquidation value of the Applicants in the Sale Scenario. The preliminary assessment of value under the Sale Scenario is based on a range of factors derived from information from binding offers in Phase 2 of the SISP, leading to an indicative value for the purposes of comparing the Sale Scenario to the Plan of approximately $5,000,000.

5.1 Restrictions

1. The preliminary assessment of value used in the Sale Scenario is not considered a formal business and/or asset valuation opinion and the Monitor has not provided such an opinion thereon. In preparing this analysis, the Monitor has necessarily relied upon unaudited financial and other information supplied, and representations made to the Monitor by either Management or certain external information.

2. Although the information has been reviewed for reasonableness, the Monitor has not independently verified the accuracy or completeness of the information provided by Management nor conducted an audit, and accordingly, the Monitor is not providing any form of assurance thereon. The Monitor does not provide any assurance on the reasonableness of its assumptions in determining the indicative Sale Scenario value.

3. Any changes to one or more underlying assumptions or the information provided may have a material impact on any calculations and/or conclusions contained in this Third Report. Finally, the Monitor is not providing an opinion on the fair market value in accordance with the Canadian Institute of Chartered Business Valuators Practice Standard 110 or any other valuation standards.

5.2 Comparative Analysis

1. A comparison of the estimated recoveries to Affected Creditors under the Plan versus the estimated recoveries in the Sale Scenario is provided in the table below.

		Amount ($000s)	
Description	**Notes**	**Plan**	**Sale Scenario**
Funds available for distribution (estimated)	(a)	1,850	5,000
Secured Creditor (Stoke)	(b)	(390)	(390)
Convenience Class Creditor payments		(16)	-
Funds available for distribution		**1,444**	**4,610**
Affected Creditors (Unsecured)	(c)	2,639	2,655
Intercompany Claims	(d)	-	7,000
Total Claims		**2,639**	**9,655**
Cash Distribution (%)	(e)	**55%**	**48%**[11]

2. The following notes correspond to the references in the table:

   a) Reflects the estimated Creditor Cash Pool (as defined within the Plan) and the estimated funds available for distribution.

   b) Payment in full for the Stoke Claim. Includes an estimate of interest accrued through to the Plan Implementation Date.

   c) Affected Creditors under the Plan include: (i) the unsecured creditors of 420 Premium Markets, inclusive of the Settled Landlord Claims; plus (ii) the unsecured creditors of 420 Investments; less (iii) the estimated Convenience Class Creditors. Affected Creditor valuations under the Sale Scenario are the same except for the exclusion of the Convenience Class Creditors. The valuation of the Accepted Claims for the Affected Creditors in the Sale Scenario may be subject to change, and these changes may be material. The Monitor has utilized the Settled Landlord Claims for the purposes of this calculation, however, the claims of the landlord creditors may be impacted based on a determination of claims in the Sale Scenario and subject to further Court order or calculations pursuant to the BIA.

[11] The Sales Scenario does not include the impact of professional fees in a liquidation proceeding, which would lower the projected return.

d) Accepted Intercompany Claims do not participate as an Affected Creditor under the Plan. In the Sale Scenario, intercompany creditors are entitled to be paid on a pro-rata basis with all other unsecured creditors. This aspect of the Plan significantly increases the value to Affected Creditors.

e) While the above analysis includes the Affected Claims of the unsecured creditors of 420 Investments, a return to the unsecured creditors of 420 Investments is not anticipated in the Sale Scenario.

3. Subject to the underlying assumptions above, the comparative analysis reflects that the Affected Creditors are projected to receive consideration from the Plan that would be greater than they would receive in the Sale Scenario, together with the opportunity to participate in the future success of the Applicants' going concern business or the outcome of the Litigation.

4. Pursuant to section 23(1)(i) of the CCAA, the Monitor is of the opinion that the Plan is fair and reasonable and provides the best available return in contrast to the Sale Scenario. However, as outlined below, should this Court authorize the Resumed SISP, it is possible that a further offer may be obtained that could result in a greater monetary recovery for Affected Creditors. That said, the Resumed SISP carries several risks and uncertainties, including the potential outcome of receiving no bids or a bid that provides for a lower return to the Affected Creditors than the return outlined in the Plan.

6.0 Resumed SISP

1. High Park has filed a cross-application with this Court requesting that the SISP be resumed under the Monitor's supervision and direction. The Monitor understands that High Park's application is based on its assertion that the joint bid submitted within the SISP was misinterpreted by the Applicants and the Monitor and should, hypothetically, result in full cash recovery for 420 Premium Market's unsecured creditors and 420 Investments senior secured lender (the "**Joint Bid**"). This contrasts with the Plan, which provides for a cash recovery of up to 55% for the Affected Creditors and potential further recoveries from the Election Consideration.

2. The Monitor notes the following regarding the Joint Bid:

a) the Joint Bid was submitted on December 20, 2024 and was reviewed by the

Applicants and the Monitor and evaluated in relation to the other bids received;

b) the High Park application states that the consideration under the Joint Bid would repay in full all of 420 Premium Markets' and Green Rock's third-party unsecured creditors, and 420 Investments' senior secured creditor;

c) however, the view of the Applicants and the Monitor at the time of reviewing the bids, was that the Joint Bid would not accomplish a pay out of the third-party creditors of 420 Premium Markets and Green Rock as a result of the way the Joint Bid was structured;

d) the Applicants were also of the view that the offers received for the Litigation did not maximize the value for its stakeholders; and

e) the Joint Bid was rejected by the Applicants along with the other bids received in the SISP as the Applicants were of the view that a Plan could be advanced that would result in an equal or greater outcome to stakeholders.

3. On January 16, 2025, the Monitor received a letter from DLA Piper (Canada) LLP (the "**DLA Letter**") who was acting as counsel for High Park and Tilray Inc. that, amongst other matters, described the mechanics of the Joint Bid. The DLA Letter is attached as Confidential Exhibit "C" to the affidavit sworn by Lisa Roy on March 7, 2025 (the "**Roy Affidavit**") filed in these CCAA Proceedings. As the terms of the Joint Bid were not made public in the High Park materials, the Monitor will not be commenting publicly on the specifics of the Joint Bid. A confidential summary of the Monitor's analysis of the Joint Bid is attached as **Confidential Appendix "1"**.

4. On January 24, 2025, the Monitor issued a letter that responded to the DLA Letter explaining, and commenting on other matters, that both the Monitor's and the Applicants' understanding of the mechanics of the Joint Bid and that it would not result in distributions to 420 Premium Markets' creditors. A copy of this letter is attached as Confidential Exhibit "D" to the Roy Affidavit. The Monitor also sent an email to Blakes, Cassels & Graydon LLP ("**Blakes**") on January 28, 2025 that further explains the Monitor's views on the Joint Bid. A copy of this email is attached to the Roy Affidavit as Confidential Exhibit "E".

5. On February 4, 2025, Blakes wrote to the Monitor further clarifying the Joint Bid which, in their view, would provide for a full recovery for the creditors of 420 Premium

Markets. Included in this letter was an acknowledgement by counsel for High Park/Tilray that the allocation of the consideration in the Joint Bid was not clear, and in their view, this was a result of a Subscription Agreement (as defined within the Confidential Appendix "1") provided by the Applicants that did not provide for an allocation of the consideration. A copy of this letter is attached to the Roy Affidavit as Confidential Exhibit "F".

6. The Monitor is of the view that it now understands the intent of the Joint Bid with the subsequent clarifications, (the "**Clarified Joint Bid**"), however, it remains of the view that the initial Joint Bid did not achieve the intent of the Clarified Joint Bid.

7. The Monitor understands the intent of the Resumed SISP would therefore allow High Park to clarify and resubmit its bid for consideration by the Applicants and their creditors. If the Clarified Joint Bid were advanced as clarified, it would result in the assumption of the Intercompany Claims and a full cash payment of the Affected Claims. However, the Monitor cannot guarantee that the Clarified Joint Bid would be advanced in the manner presented or that this Court would sanction a transaction arising from the Clarified Joint Bid.

8. Should this Court grant the Resumed SISP Order, the Monitor is well-positioned to recommence the SISP, having previously conducted the process in accordance with the SISP Order and possessing the necessary experience and personnel to effectively resume the SISP procedures.

9. The Monitor takes no position on the merits of the High Park application and understands the Applicants will be filing responding materials in advance of the March 14, 2025 hearing.

7.0 Cash Flow Statement

7.1 Performance Against the Sixth Cash Flow Statement

1. In accordance with the CCAA, the Monitor has continued to review and evaluate the state of the Applicants' business and financial affairs during the CCAA Proceedings.

2. Pursuant to the CCAA, the Applicants prepared the Sixth Cash Flow Statement for the extended Stay Period. The Sixth Cash Flow Statement for the period ending March 31, 2025, together with management's Report on the Cash-Flow Statement as

required pursuant to Section 10(2)(b) of the CCAA are attached hereto as **Appendix "A"**.

3. The Applicants have remained current in respect of their obligations that have arisen since the Second Report except for the rental payments owing relating to certain leases that were disclaimed at the outset of the NOI Proceedings. Further details on the disclaimed leases are documented in the Proposal Trustee's First Report.

4. A review process was established with the Applicants to review weekly cash variances. A comparison of the Applicants' receipts and disbursements to the Sixth Cash Flow Statement for the period from the Second Report to February 23, 2025 (the "**Reporting Period**") is as follows:

Post Filing Reporting Period ($CAD)	Actual	Sixth Cash Flow Statement	Favourable / (Unfavourable) Variance
Opening Cash balance	488	488	(0)
Receipts	1,565	1,687	(122)
Operating Disbursements	(1,706)	(1,773)	67
Net Cash Flow from Operations	(141)	(86)	(55)
Non-operating disbursements	(106)	(168)	62
Net Cash Flow	(247)	(254)	
Closing cash balance	241	233	

Monitor's Comments

5. During the Reporting Period, the Applicants experienced slightly lower business activity than forecasted, resulting in less receipts than anticipated.

6. Operating disbursements were approximately $67,000 lower than projected primarily as a result of the lower business activity. Non-operating disbursements were also lower than forecasted as a result of timing of professional fees.

7.2 The Seventh Cash Flow Statement

1. The Applicants prepared the Seventh Cash Flow Statement for the purposes of the extended Stay Period. The Seventh Cash Flow Statement assumptions are largely consistent with the Sixth Cash Flow Statement assumptions except for the time period covered.

2. The Seventh Cash Flow Statement and the Applicants' statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as **Appendix "B"**.

3. The Seventh Cash Flow Statement reflects that the Applicants have sufficient liquidity for the duration of the Stay Period.

4. Based on the Monitor's review of the Seventh Cash Flow Statement, the assumptions appear reasonable. The Monitor's statutory report on the Seventh Cash Flow Statement is attached hereto as **Appendix "C"**.

8.0 Applicants' Request for an Extension

1. The Applicants are seeking an extension of the Stay Periods from March 30, 2025 to April 30, 2025. The Monitor supports the extension request for the following reasons:

   a) the Monitor's observations are that the Applicants are acting in good faith and with due diligence;

   b) the extension of the Stay Period allows the necessary time for the Applicants' to hold the Creditors' Meeting to vote on the Plan; and

   c) the extension should not adversely affect or prejudice any group of creditors as the Applicants are projected to have sufficient liquidity for the extended Stay Period as contemplated by the Seventh Cash Flow Statement.

9.0 Sealing

1. The Monitor is seeking the Sealing Order to seal Confidential Appendix "1" until the earlier of: (i) termination of the CCAA Proceedings; or (ii) further order of this Court, as Confidential Appendix "1" contain confidential information, including a summary of a binding bid submitted in the SISP. Making this information publicly available prior to the termination of the CCAA Proceedings could have a detrimental impact on the outcome of the CCAA Proceedings. Sealing Confidential Appendix "1" is necessary due to the risk that the public disclosure of the information contained in the same could cause irreparable prejudice to creditors and other stakeholders.

2. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Monitor is

not aware of any party that will be prejudiced if the information in Confidential Appendix "1" is sealed or any public interest that will be served, if such details are disclosed in full. The Monitor is of the view that the sealing of Confidential Appendix "1" is consistent with the decision in Sherman Estate v. Donovan, 2021 SCC 25. Accordingly, the Monitor believes the proposed sealing of Confidential Appendix "1" is appropriate in the circumstances.

10.0 Next Steps and Monitor's Recommendation

1. The Monitor acknowledges that there are numerous considerations for the Court to consider in granting either the Resumed SISP Order or the Meeting Order, including the potential return to creditors under either scenario.

Resumed SISP Order

2. From the Monitor's view the following matters should be taken into consideration with respect to the Resumed SISP:

    a) there are currently no binding offers as all offers were rejected in the SISP, and it is uncertain whether any of the Phase 2 Bids in the SISP will be submitted in a Resumed SISP process or if they will be submitted on the same, better or worse terms. As disclosed in the Second Report, the Monitor and/or Applicants have heard from other bidders that they remain ready and willing to progress their bid;

    b) High Park states that the Clarified Joint Bid will result in a full recovery to the Applicants' creditors and is therefore more favourable than the Plan. Notwithstanding this possible outcome, it is important to highlight that at this point this is largely hypothetical as there is no binding offer presented to the Applicants or the Monitor;

    c) the Monitor further understands the Applicants are of the view they may require interim financing to fund the proposed Resumed SISP process. While the actual operating results will determine the liquidity position of the Applicants, the Seventh Cash Flow Statement does provide for sufficient liquidity over the Stay Period. Notwithstanding this, the Monitor highlights that the liquidity position does remain tight throughout the Stay Period; and

d) should this Court grant High Park's application, the Monitor is the positioned to quickly resume the Resumed SISP. If the Court orders a Resumed SISP, the Monitor will work diligently to conduct the Resumed SISP on the terms directed by this Court.

Meeting Order

3. Should this Court instead approve the Meeting Order, the Monitor is required, as soon as practicable following the Creditors' Meeting, to file a report with the Court that includes the result of the votes at the Creditors' Meeting, including whether the motion to vote on the resolution to approve the Plan has been accepted by the Required Majority of Affected Creditors, and such further and other information as determined by the Monitor to be necessary.

4. If the Plan is accepted by the Required Majority of Affected Creditors, the Meeting Order authorizes the Applicants to bring a motion at the hearing scheduled for April 24, 2025 (the "**Sanction Hearing**") seeking the issuance of the Sanction Order that will, among other things, approve and sanction the Plan.

5. The Meeting Order provides that any party who wishes to oppose the final sanctioning of the Plan must serve the Applicants, the Monitor and the parties listed on the Service List with a copy of the materials to be relied upon to oppose the motion for the Sanction Order, setting out the basis for such opposition, at least three days before the date set for the Sanction Hearing (i.e. on or before April 22, 2025).

6. Provided the Plan is approved by the Court, it will then require implementation by the Applicants in accordance with its terms. It is expected that this will occur in the first half of 2025. Affected Creditors would receive their cash distributions at that time.

7. If the Meeting Order is granted, the Monitor recommends the Affected Creditors vote in favour of the Plan as the Plan is anticipated to provide for greater recoveries and more certainty than under the Sale Scenario.

* * *

All of which is respectfully submitted,

KSV RESTRUCTURING INC.,
in its capacity as Monitor of the Applicants,
and not in its personal capacity

Appendix “A”

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Cash Flow Forecast
February 3, 2025 to March 31, 2025
(Unaudited; C$000s)

		Period ending								
	Note	09-Feb-25	16-Feb-25	23-Feb-25	02-Mar-25	09-Mar-25	16-Mar-25	23-Mar-25	31-Mar-25	Total
	1									
Receipts										
Collection of Accounts Receivable	2	562	562	562	565	565	565	565	565	4,511
Total Receipts	3	562	562	562	565	565	565	565	565	4,511
Disbursements										
Inventory purchases	4	353	353	353	361	361	366	366	366	2,876
Payroll	5	205	-	205	-	205	-	205	-	820
Rent	6	180	-	-	-	182	-	-	-	362
Other operating expenses	7	36	64	25	25	52	32	26	26	287
Total Operating disbursements		774	417	583	386	800	398	596	391	4,344
Net Cash Flow before the Undernoted		(211)	146	(20)	179	(235)	167	(31)	174	167
Professional Fees	8	40	128	-	-	-	128	-	-	296
Net Cash Flow		(251)	18	(20)	179	(235)	39	(31)	174	(129)
Opening Cash balance	9	488	236	254	233	412	178	217	185	488
Net Cash Flow		(251)	18	(20)	179	(235)	39	(31)	174	(129)
Closing cash balance		236	254	233	412	178	217	185	359	359

The above financial projections are based on management's assumptions detailed in Appendix "1-1".
The note references correspond to the assumption numbers shown in Appendix "1-1".

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Notes to Projected Statement of Cash Flows
February 3, 2025 to March 31, 2025

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the consolidated cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "Applicants") for the period February 3 to March 31, 2025 (the "Period").

Hypothetical

2. Cash collections include funds received from sales of cannabis-related products at various retail store locations and data program revenues.

3. Total receipts do not include funds raised to facilitate a potential plan of arrangement.

Most Probable

4. Represents inventory stock purchases for retail locations.

5. Reflects payroll costs of employees.

6. Represents occupancy costs for the various retail locations.

7. Other expenses include marketing costs for each retail location and general administrative expenses.

8. Includes the estimated payments to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.

9. Opening cash reflected as of February 3, 2025.

IN THE COURT OF KING'S BENCH OF ALBERTA

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

AND IN THE MATTER OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

MANAGEMENT'S REPORT ON THE CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The management of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") have developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 5th day of February, 2025 for the period February 3, 2025 to March 31, 2025 ("**Sixth Cash Flow Statement**"). All such assumptions are disclosed in the notes to the Sixth Cash Flow Statement.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Sixth Cash Flow Statement as described in Note 1 to the Sixth Cash Flow Statement, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Sixth Cash Flow Statement.

Since the Sixth Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Sixth Cash Flow Statement has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Sixth Cash Flow Statement may not be appropriate for other purposes.

Dated at Calgary, AB this 5th day of February, 2025.

420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

Ryan Pernal

Per: Ryan Pernal, CFO

Appendix “B”

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Cash Flow Forecast
February 24, 2025 to May 25, 2025
(Unaudited; C$000s)

		Period ending													
	Note	02-Mar-25	09-Mar-25	16-Mar-25	23-Mar-25	30-Mar-25	06-Apr-25	13-Apr-25	20-Apr-25	27-Apr-25	04-May-25	11-May-25	18-May-25	25-May-25	Total
	1														
Receipts															
Collection of Accounts Receivable	2	568	551	543	543	543	562	562	562	562	565	565	565	565	7,257
Total Receipts	3	568	551	543	543	543	562	562	562	562	565	565	565	565	7,257
Disbursements															
Inventory purchases	4	361	350	361	350	361	371	361	371	346	372	372	372	372	4,719
Payroll	5	-	205	-	205	-	205	-	205	-	205	-	205	-	1,230
Rent	6	-	182	-	-	-	182	-	-	-	182	-	-	-	546
Other operating expenses	7	47	41	27	26	42	35	32	26	50	35	26	26	58	473
Total Operating disbursements		407	779	387	581	403	793	393	602	396	794	398	603	431	6,968
Net Cash Flow before the Undernoted		161	(228)	156	(38)	140	(231)	169	(40)	166	(229)	167	(38)	135	290
Professional Fees	8	-	128	-	-	-	-	128	-	-	-	-	128	-	384
Net Cash Flow		161	(356)	156	(38)	140	(231)	41	(40)	166	(229)	167	(166)	135	(94)
Opening Cash balance	9	241	401	46	202	163	303	72	113	73	239	10	177	12	241
Net Cash Flow		161	(356)	156	(38)	140	(231)	41	(40)	166	(229)	167	(166)	135	(94)
Closing cash balance		401	46	202	163	303	72	113	73	239	10	177	12	146	146

The above financial projections are based on management's assumptions detailed in Appendix "1-1".
The note references correspond to the assumption numbers shown in Appendix "1-1".

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Notes to Projected Statement of Cash Flows
February 24, 2025 to May 25, 2025

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the consolidated cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "Applicants") for the period February 24 to May 25, 2025 (the "Period"). The projections omit the proceeds and payments contemplated under the Plan.

Hypothetical

2. Cash collections include funds received from sales of cannabis-related products at various retail store locations and data program revenues.

3. Total receipts do not include funds raised to facilitate a potential plan of arrangement.

Most Probable

4. Represents inventory stock purchases for retail locations.

5. Reflects payroll costs of employees.

6. Represents occupancy costs for the various retail locations.

7. Other expenses include marketing costs for each retail location and general administrative expenses.

8. Includes the estimated payments to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.

9. Opening cash reflected as of February 23, 2025.

IN THE COURT OF KING'S BENCH OF ALBERTA

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

AND IN THE MATTER OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

MANAGEMENT'S REPORT ON THE CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The management of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") have developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 9th day of March, 2025 for the period February 24, 2025 to May 25, 2025 ("**Seventh Cash Flow Statement**"). All such assumptions are disclosed in the notes to the Seventh Cash Flow Statement.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Seventh Cash Flow Statement as described in Note 1 to the Seventh Cash Flow Statement, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Seventh Cash Flow Statement.

Since the Seventh Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Seventh Cash Flow Statement has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Seventh Cash Flow Statement may not be appropriate for other purposes.

Dated at Calgary, AB this 9th day of March, 2025.

420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

Ryan Pernal

Per: Ryan Pernal, CFO

Appendix “C”

IN THE COURT OF THE KING'S BENCH OF ALBERTA

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

AND IN THE MATTER OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

MONITOR'S REPORT ON THE CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") as of the 10th day March, 2025, consisting of a weekly projected cash flow statement for the period February 24, 2025 to May 25, 2025 (the "**Seventh Cash Flow Statement**") has been prepared by the management of the Applicants for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Seventh Cash Flow Statement.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management of the Applicants. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Seventh Cash Flow Statement.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

a) the hypothetical assumptions are not consistent with the purpose of the Seventh Cash Flow Statement;

b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Seventh Cash Flow Statement, given the hypothetical assumptions; or

c) the Seventh Cash Flow Statement does not reflect the probable and hypothetical assumptions.

Since the Seventh Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Seventh Cash Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Seventh Cash Flow Statement has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, AB this 10th day of March, 2025.

KSV RESTRUCTURING INC.,
solely in its capacity as the proposed monitor of
420 Investments Ltd., 420 Premium Markets Ltd.,
Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.