Court File No. CV-20-00638930-00CL

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

SUPPLEMENTARY RESPONDING MOTION RECORD OF THE UNDERWRITERS

(Motion Returnable March 19, 2021)

March 16, 2021

Torys LLP
79 Wellington St. W., 30th Floor
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Toronto, ON M5K 1N2

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Lawyers for the Underwriters

TO: SERVICE LIST

TABLE OF CONTENTS

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(COMMERCIAL LIST)

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

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Applicants

SUPPLEMENTARY AFFIDAVIT OF SHOSHANA ISRAEL

I, Shoshana Israel, a law clerk with the law firm of Torys LLP, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a law clerk with the law firm of Torys LLP, counsel to Merrill Lynch Canada Inc., Merrill Lynch Pierce, Fenner & Smith, Inc., Citigroup Global Markets Canada Inc., Citigroup Global Markets Inc., Credit Suisse Securities (Canada) Inc., Credit Suisse Securities (USA) LLC, RBC Dominion Securities Inc., Jefferies Securities Inc., Jefferies LLC, Canaccord Genuity Corp., and Canaccord Genuity LLC (collectively, the "Underwriters"), and, as such, have knowledge of the matters contained in this affidavit. Where I have obtained any information set out below from another source, I have identified the source of the information, and in each case, I believe the information to be true.

2. This affidavit is supplementary to the affidavit I swore on March 11, 2021.

3. I am advised by Craig Gilchrist, an associate at Torys LLP, that, on March 15, 2021, Shane D'Souza of McCarthy Tetrault LLP, counsel to the Applicants, sent Torys LLP a document described as "CannTrust's current forecast for the rest of [2021]." A copy of the forecast is attached as Exhibit "A".

4. I am advised by Mr. Gilchrist that, on March 16, 2021, Mr. D'Souza sent Torys LLP a copy of a PDF document called "Business Overview" on the basis that the Underwriters and other non-settling defendants agreed to support CannTrust in seeking a sealing order for the forecast. A copy of this presentation is attached as Exhibit "B"

5. I am advised by Mr. Gilchrist that, on March 19, 2020, Torys LLP received a payment from CannTrust Holdings Inc. in the amount of $112,570.11 for payment of a portion of the Underwriters' class action defence costs. A copy of Torys LLP's receipt of this payment is attached as Exhibit "C".

SWORN remotely by *video conference* by Shoshana Israel stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on March 16, 2021 in accordance with O.Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)	**SHOSHANA ISRAEL**

R. Craig Gilchrist (LSO#: 77315B)

THIS IS **EXHIBIT “A”** REFERRED TO IN THE

AFFIDAVIT OF SHOSHANA ISRAEL

VIRTUALLY SWORN BEFORE ME THIS 16TH DAY

OF MARCH, 2021

Commissioner for taking affidavits

R. CRAIG GILCHRIST (LSO #: 77315B)

Q1 Forecast

(All figures in C$, unless otherwise indicated)

Year End December 31		Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	FY 2021
Income Statement														
Medical Revenue	($000's)	$1	$19	$73	$184	$310	$407	$533	$741	$1,019	$1,355	$1,624	$1,811	$8,078
Recreational Revenue	($000's)	$42	$170	$601	$1,591	$2,063	$2,752	$4,124	$5,268	$6,516	$8,505	$10,582	$10,326	$52,541
Bulk Sales	($000's)	$0	$0	$98	$73	$73	$73	$283	$283	$283	$283	$283	$283	$2,012
Brew Budz Revenue	($000's)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Revenue	**($000's)**	**$44**	**$189**	**$771**	**$1,848**	**$2,446**	**$3,232**	**$4,940**	**$6,291**	**$7,817**	**$10,143**	**$12,488**	**$12,419**	**$62,630**
M-o-M Growth	(%)													
(-) Medical COGS (Including Depreciation)	($000's)	($0)	($6)	($23)	($54)	($93)	($123)	($158)	($219)	($300)	($398)	($476)	($535)	($2,385)
(-) Recreational COGS (Including Depreciation)	($000's)	($89)	($293)	($574)	($1,218)	($1,517)	($1,991)	($3,003)	($3,740)	($4,442)	($5,562)	($6,626)	($6,662)	($35,716)
(-) Bulk COGS	($000's)	$0	$0	($72)	($54)	($54)	($54)	($202)	($209)	($214)	($218)	($220)	($222)	($1,519)
(-) Manufacturing Inefficiencies	($000's)	($957)	($1,373)	($1,083)	($636)	($328)	$80	$400	$507	$816	$963	$983	$1,108	$481
Gross Profit	**($000's)**	**($1,003)**	**($1,482)**	**($980)**	**($114)**	**$454**	**$1,145**	**$1,978**	**$2,632**	**$3,677**	**$4,928**	**$6,150**	**$6,109**	**$23,491**
Total Gross Profit Margin	(%)	*(2294.3%)*	*(783.0%)*	*(127.1%)*	*(6.2%)*	*18.5%*	*35.4%*	*40.0%*	*41.8%*	*47.0%*	*48.6%*	*49.2%*	*49.2%*	*37.5%*
Medical Gross Profit Margin	(%)	*65.7%*	*67.8%*	*69.0%*	*70.5%*	*69.9%*	*69.8%*	*70.4%*	*70.5%*	*70.5%*	*70.7%*	*70.7%*	*70.5%*	*70.5%*
Recreational Gross Profit Margin	(%)	*(111.0%)*	*(72.1%)*	*4.5%*	*23.4%*	*26.5%*	*27.7%*	*27.2%*	*29.0%*	*31.8%*	*34.6%*	*37.4%*	*35.5%*	*32.0%*
Bulk Gross Profit Margin	(%)	*N.M.*	*N.M.*	*26.0%*	*26.0%*	*26.0%*	*26.0%*	*28.6%*	*26.2%*	*24.3%*	*22.9%*	*22.0%*	*21.6%*	*24.5%*
(-) SG&A	($000's)	($3,423)	($3,906)	($4,034)	($4,052)	($3,868)	($3,868)	($4,321)	($3,655)	($3,306)	($3,683)	($3,739)	($3,590)	($45,446)
(-) Fulfillment	($000's)	($1)	($3)	($11)	($21)	($36)	($44)	($63)	($82)	($101)	($123)	($149)	($157)	($792)
(-) Aggregator	($000's)	($0)	($3)	($12)	($30)	($50)	($65)	($85)	($119)	($163)	($217)	($260)	($290)	($1,292)
(-) Share Based Payments	($000's)	($46)	($80)	($80)	($80)	($80)	($80)	($80)	($80)	($80)	($80)	($80)	($80)	($926)
(-) Other Professional Fees	($000's)	($325)	($923)	($923)	($923)	($923)	($373)	$0	$0	$0	$0	$0	$0	($4,392)
(-) Remediation Costs	($000's)	$0	$0	$0	$0	$0	$0	($52,000)	$0	$0	$0	$0	$0	($52,000)
EBIT	**($000's)**	**($4,798)**	**($6,398)**	**($6,041)**	**($5,220)**	**($4,504)**	**($3,285)**	**($54,572)**	**($1,304)**	**$27**	**$825**	**$1,922**	**$1,991**	**($81,357)**
Operating Profit Margin	(%)													
Net Income	**($000's)**	**($4,798)**	**($6,398)**	**($6,041)**	**($5,220)**	**($4,504)**	**($3,285)**	**($54,572)**	**($1,304)**	**$27**	**$825**	**$1,922**	**$1,991**	**($81,357)**
Net Income Margin	(%)	*(10974.7%)*	*(3380.0%)*	*(783.0%)*	*(282.5%)*	*(184.1%)*	*(101.6%)*	*(1104.6%)*	*(20.7%)*	*0.3%*	*8.1%*	*15.4%*	*16.0%*	*(129.9%)*
EBITDA	**($000's)**	**($4,204)**	**($5,767)**	**($5,409)**	**($4,588)**	**($3,873)**	**($2,654)**	**($53,941)**	**($672)**	**$659**	**$1,462**	**$2,563**	**$2,634**	**($73,790)**
EBITDA Margin	(%)	*(9616.5%)*	*(3046.8%)*	*(701.2%)*	*(248.3%)*	*(158.3%)*	*(82.1%)*	*(1091.9%)*	*(10.7%)*	*8.4%*	*14.4%*	*20.5%*	*21.2%*	*(117.8%)*
Adjusted EBITDA	**($000's)**	**($3,879)**	**($4,844)**	**($4,486)**	**($3,665)**	**($2,949)**	**($2,280)**	**($1,941)**	**($672)**	**$659**	**$1,462**	**$2,563**	**$2,634**	**($17,398)**
Adjusted EBITDA Margin	(%)	*(8873.1%)*	*(2558.9%)*	*(581.5%)*	*(198.3%)*	*(120.6%)*	*(70.5%)*	*(39.3%)*	*(10.7%)*	*8.4%*	*14.4%*	*20.5%*	*21.2%*	*(27.8%)*

Q1 Forecast

(All figures in C$, unless otherwise indicated)

Year End December 31		Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	FY 2021
Cash Flow Statement														
Net Income	($000's)	($4,798)	($6,398)	($6,041)	($5,220)	($4,504)	($3,285)	($54,572)	($1,304)	$27	$825	$1,922	$1,991	($81,357)
(+) Depreciation	($000's)	$548	$551	$552	$552	$552	$552	$552	$552	$552	$557	$561	$562	$6,641
(+) Share Based Payments	($000's)	$46	$80	$80	$80	$80	$80	$80	$80	$80	$80	$80	$80	$926
(-) Increases in Inventory	($000's)	($1,169)	($1,346)	($1,506)	($1,676)	($1,876)	($2,260)	($1,870)	($1,623)	($1,283)	($314)	$666	$675	($13,582)
(-) Increases in Working Capital (Excluding Inventory)	($000's)	$140	$2,518	$4,025	$5,438	$1,122	$980	$831	$698	($11)	($447)	($1,048)	$796	$15,043
Cash Flow from Operations	**($000's)**	**($5,233)**	**($4,595)**	**($2,890)**	**($826)**	**($4,626)**	**($3,934)**	**($54,980)**	**($1,597)**	**($635)**	**$701**	**$2,182**	**$4,104**	**($72,329)**
Total Capex	($000's)	($481)	($291)	($68)	($3)	$5,000	($17)	($1)	($1)	($25)	($490)	($392)	($115)	$3,115
Cash Flow from Investing	**($000's)**	**($481)**	**($291)**	**($68)**	**($3)**	**$5,000**	**($17)**	**($1)**	**($1)**	**($25)**	**($490)**	**($392)**	**($115)**	**$3,115**
Interest Expense	($000's)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Repayments of Debt	($000's)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transfers to Restricted Cash		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Proceeds from Equity Issuance	($000's)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow from Financing Activities	**($000's)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Beginning Cash	($000's)	$80,539	$74,825	$69,939	$66,980	$66,151	$66,525	$62,573	$7,592	$5,995	$5,335	$5,545	$7,335	$80,539
Change in Cash	($000's)	($5,714)	($4,886)	($2,958)	($830)	$374	($3,952)	($54,981)	($1,598)	($660)	$211	$1,790	$3,989	($69,214)
Ending Cash	**($000's)**	**$74,825**	**$69,939**	**$66,980**	**$66,151**	**$66,525**	**$62,573**	**$7,592**	**$5,995**	**$5,335**	**$5,545**	**$7,335**	**$11,325**	**$11,325**

Q1 Forecast

(All figures in C$, unless otherwise indicated)

Year End December 31		Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	FY 2021
Balance Sheet														
Assets														
Cash and Short Term Investments	($000's)	$74,825	$69,939	$66,980	$66,151	$66,525	$62,573	$7,592	$5,995	$5,335	$5,545	$7,335	$11,325	$11,325
Restricted Cash	($000's)	$6,174	$6,174	$6,174	$6,174	$6,174	$6,174	$6,174	$6,174	$6,174	$6,174	$6,174	$6,174	$6,174
Trade and Other Receivables	($000's)	$5,643	$5,926	$6,727	$4,030	$4,846	$6,360	$8,842	$11,062	$13,908	$17,347	$22,060	$20,885	$20,885
Prepaid Expenses and Deposits	($000's)	$12,577	$10,566	$9,554	$8,543	$7,531	$6,520	$5,508	$4,577	$4,043	$3,509	$2,975	$2,442	$2,442
Other Assets	($000's)	$9,205	$9,205	$6,205	$6,205	$6,205	$6,205	$6,205	$6,205	$6,205	$6,205	$6,205	$6,205	$6,205
Cannabis Inventories	($000's)	$10,549	$11,895	$13,401	$15,078	$16,953	$19,214	$21,084	$22,706	$23,989	$24,303	$23,637	$22,962	$22,962
Current Assets	**($000's)**	**$118,973**	**$113,705**	**$109,042**	**$106,180**	**$108,234**	**$107,045**	**$55,405**	**$56,719**	**$59,653**	**$63,084**	**$68,387**	**$69,993**	**$69,993**
Beginning PP&E Book value	($000's)	$85,674	$85,608	$85,348	$84,865	$84,317	$78,765	$78,231	$77,680	$77,129	$76,602	$76,535	$76,365	$85,674
(+) PP&E Additions	($000's)	$481	$291	$68	$3	($5,000)	$17	$1	$1	$25	$490	$392	$115	($3,115)
(-) PP&E Depreciation	($000's)	($548)	($551)	($552)	($552)	($552)	($552)	($552)	($552)	($552)	($557)	($561)	($562)	($6,641)
Non-current assets	**($000's)**	**$85,608**	**$85,348**	**$84,865**	**$84,317**	**$78,765**	**$78,231**	**$77,680**	**$77,129**	**$76,602**	**$76,535**	**$76,365**	**$75,918**	**$75,918**
Total Assets	**($000's)**	**$204,581**	**$199,053**	**$193,907**	**$190,497**	**$186,999**	**$185,276**	**$133,085**	**$133,847**	**$136,255**	**$139,619**	**$144,752**	**$145,911**	**$145,911**
Liabilities and Equity														
Trade and Other Payables	($000's)	$12,030	$12,819	$13,634	$15,364	$16,291	$17,773	$20,074	$22,061	$24,361	$26,820	$29,952	$29,039	$29,039
Other Liabilities	($000's)	$1,780	$1,780	$1,780	$1,780	$1,780	$1,780	$1,780	$1,780	$1,780	$1,780	$1,780	$1,780	$1,780
Current Liabilities	**($000's)**	**$13,810**	**$14,599**	**$15,414**	**$17,144**	**$18,071**	**$19,553**	**$21,854**	**$23,841**	**$26,141**	**$28,600**	**$31,732**	**$30,819**	**$30,819**
Loans	($000's)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Senior Notes	($000's)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Deferred Financing	($000's)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Liabilities (Non-Current)	($000's)	$35,782	$35,782	$35,782	$35,782	$35,782	$35,782	$35,782	$35,782	$35,782	$35,782	$35,782	$35,782	$35,782
Preferred Shares/Convert	($000's)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Non-current liabilities	**($000's)**	**$35,782**	**$35,782**	**$35,782**	**$35,782**	**$35,782**	**$35,782**	**$35,782**	**$35,782**	**$35,782**	**$35,782**	**$35,782**	**$35,782**	**$35,782**
Total Liabilities	**($000's)**	**$49,592**	**$50,381**	**$51,196**	**$52,926**	**$53,853**	**$55,335**	**$57,636**	**$59,623**	**$61,923**	**$64,382**	**$67,514**	**$66,601**	**$66,601**
Share Capital	($000's)	$454,315	$454,315	$454,315	$454,315	$454,315	$454,315	$454,315	$454,315	$454,315	$454,315	$454,315	$454,315	$454,315
Warrants	($000's)	$11,171	$11,171	$11,171	$11,171	$11,171	$11,171	$11,171	$11,171	$11,171	$11,171	$11,171	$11,171	$11,171
Share Based Payments	($000's)	$10,614	$10,694	$10,774	$10,854	$10,934	$11,014	$11,094	$11,174	$11,254	$11,334	$11,414	$11,494	$11,494
Retained Earnings	($000's)	($321,111)	($327,509)	($333,549)	($338,769)	($343,273)	($346,559)	($401,131)	($402,435)	($402,408)	($401,583)	($399,661)	($397,670)	($397,670)
Total Equity	**($000's)**	**$154,989**	**$148,671**	**$142,711**	**$137,571**	**$133,147**	**$129,941**	**$75,449**	**$74,225**	**$74,332**	**$75,237**	**$77,239**	**$79,310**	**$79,310**
Total Liabilities and Equity	**($000's)**	**$204,581**	**$199,053**	**$193,907**	**$190,497**	**$186,999**	**$185,276**	**$133,085**	**$133,847**	**$136,255**	**$139,619**	**$144,752**	**$145,911**	**$145,911**

THIS IS **EXHIBIT “B”** REFERRED TO IN THE

AFFIDAVIT OF SHOSHANA ISRAEL

VIRTUALLY SWORN BEFORE ME THIS 16TH DAY

OF MARCH, 2021

Commissioner for taking affidavits

R. CRAIG GILCHRIST (LSO #: 77315B)

This document is to be filed under seal

THIS IS **EXHIBIT “C”** REFERRED TO IN THE

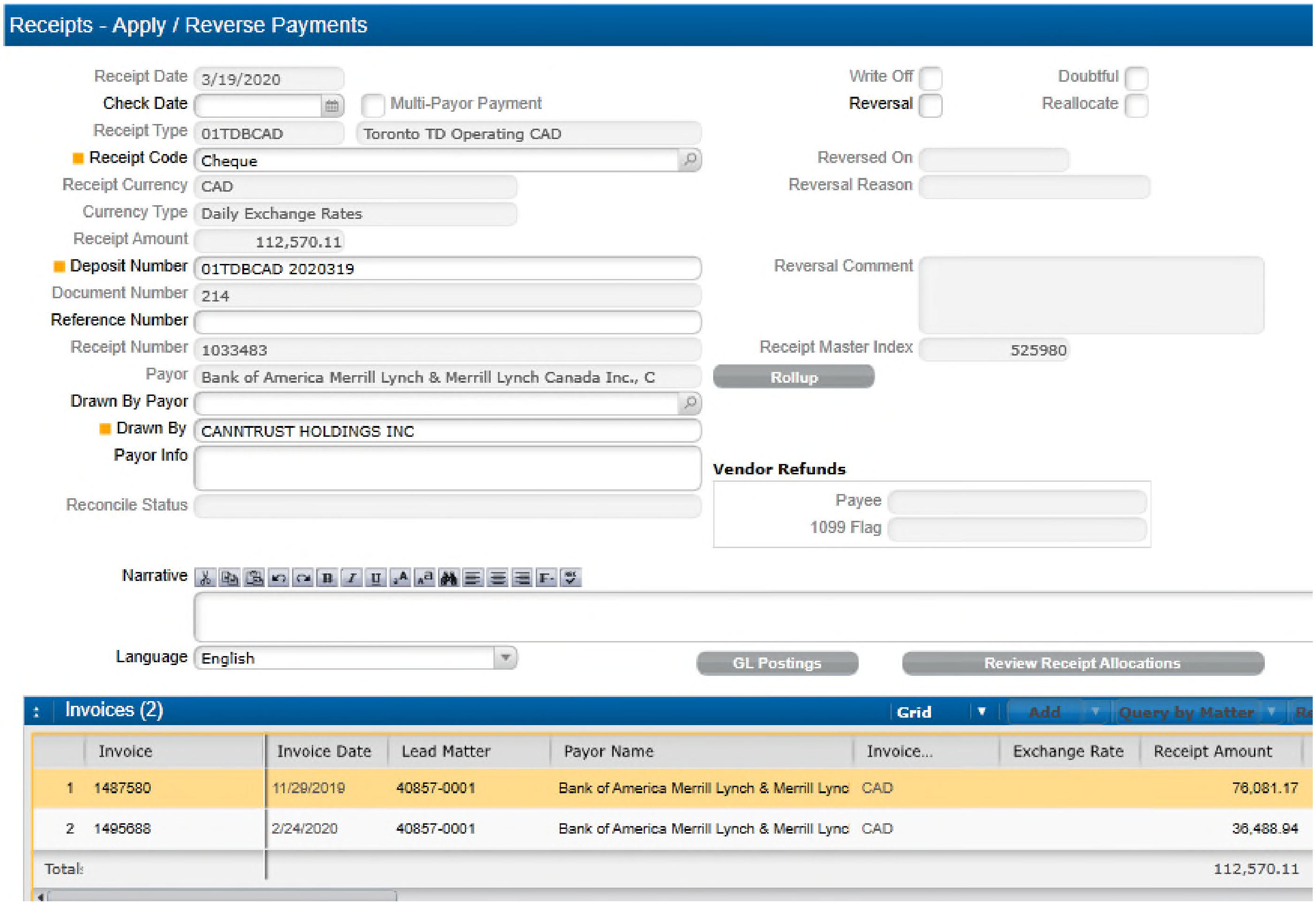
AFFIDAVIT OF SHOSHANA ISRAEL

VIRTUALLY SWORN BEFORE ME THIS 16TH DAY

OF MARCH, 2021

Commissioner for taking affidavits

R. CRAIG GILCHRIST (LSO #: 77315B)



Receipts - Apply / Reverse Payments

Receipt Date	3/19/2020
Check Date	
Multi-Payor Payment	
Receipt Type	01TDBCAD — Toronto TD Operating CAD
Receipt Code	Cheque
Receipt Currency	CAD
Currency Type	Daily Exchange Rates
Receipt Amount	112,570.11
Deposit Number	01TDBCAD 2020319
Document Number	214
Reference Number	
Receipt Number	1033483
Payor	Bank of America Merrill Lynch & Merrill Lynch Canada Inc., C
Drawn By Payor	
Drawn By	CANNTRUST HOLDINGS INC
Payor Info	
Reconcile Status	

Write Off	
Doubtful	
Reversal	
Reallocate	
Reversed On	
Reversal Reason	
Reversal Comment	
Receipt Master Index	525980

Rollup

Vendor Refunds

Payee	
1099 Flag	

Narrative

Language: English

GL Postings | Review Receipt Allocations

Invoices (2) Grid | Add | Query by Matter | Re

	Invoice	Invoice Date	Lead Matter	Payor Name	Invoice...	Exchange Rate	Receipt Amount
1	1487580	11/29/2019	40857-0001	Bank of America Merrill Lynch & Merrill Lync	CAD		76,081.17
2	1495688	2/24/2020	40857-0001	Bank of America Merrill Lynch & Merrill Lync	CAD		36,488.94
Total:							112,570.11

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 CANNTRUST HOLDINGS INC. ET. AL.

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced in Toronto

SUPPLEMENTARY AFFIDAVIT OF SHOSHANA ISRAEL
Virtually sworn March 16, 2021

Torys LLP
79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, ON M5K 1N2

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Court File No. CV-20-00638930-00CL

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 CANNTRUST HOLDINGS INC. ET. AL.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

SUPPLEMENTARY RESPONDING
MOTION RECORD OF THE UNDERWRITERS
(MOTION RETURNABLE MARCH 19, 2021)

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