Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 50473946 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

(each an **"Applicant"** and collectively, the **"Applicants")**

REPORT OF THE PROPOSED MONITOR DATED JUNE 20, 2024

INTRODUCTION

1. Ernst & Young Inc. ("**EY**" or the "**Proposed Monitor**") understands that Applicants have brought an application (the "**CCAA Application**") before this Court seeking an initial order (the "**Proposed Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") to, among other things, obtain a stay of proceedings to allow them an opportunity to restructure their business and affairs. The Applicants propose that EY be appointed as Monitor of the Applicants in these CCAA proceedings (in such capacity, the "**Monitor**").

2. This report (the "**Report**") has been prepared by the Proposed Monitor prior to its appointment as Monitor, should this Court grant the Proposed Initial Order, to provide information to this Court for its consideration in respect of the Applicants' CCAA Application.

PURPOSE

3. The purpose of this report is to provide information to the Court on:

   a. an overview of the Applicants;

   b. an overview of the Applicants' 3 week cash flow forecast on a consolidated basis for all the Applicants (the "**Cash Flow Forecast**") and the Proposed Monitor's comments regarding the reasonableness thereof;

   c. EY's qualifications to act as Monitor; and

   d. certain relevant matters about the relief sought in the Proposed Initial Order.

TERMS OF REFERENCE

4. In preparing this Report and making the comments herein, the Proposed Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants, discussions with management of the Applicants ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report in respect of the Cash Flow Forecast:

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

   b. some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

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

6. Unless otherwise indicated, the Proposed Monitor's understanding of factual matters expressed in this Report concerning the Applicants and their business is based on the Information, and not independent factual determinations made by the Proposed Monitor.

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

OVERVIEW OF THE APPLICANTS

8. This Report should be read in conjunction with the Affidavit of Jason Cervi sworn June 19, 2024 (the "**Cervi Affidavit**") for additional background and financial information with respect to the Applicants. Any terms not expressly defined herein are otherwise defined in the Cervi Affidavit.

9. The principal business activity of the Atlas Group (as defined herein) is the production, distribution, and sale of cannabis internationally and in Canada. Atlas Group medical cannabis is sold and distributed in Canada, Australia, Germany, Israel, Denmark, Norway, Spain, and United Kingdom. The Atlas Group also sells a small amount of cannabis for the adult recreational market in Canada.

10. GreenSeal Cannabis Company, Ltd. ("**GreenSeal**"), GreenSeal Nursery, Ltd. ("**GreenSeal Nursery**"), AgMedica Bioscience Inc. ("**AgMedica**"), Wellworth Health Corp. (previously 11201336 Canada Inc) ("**Wellworth**"), 5047346 Ontario Inc. ("**5047 Ontario**"), 8050678 Canada Inc. ("**8050 Canada**") and Tavivat Naturals Inc. ("**Tavivat**" and collectively with GreenSeal, GreenSeal Nursery, AgMedica, Wellworth, 5047 Ontario and 8050 Ontario, the "**Ontario Subsidiaries**") are subsidiaries of Atlas Global Brands Inc. ("**Atlas**") (the Applicants, together with all Atlas subsidiaries, are the "**Atlas Group**").

11. Atlas is a holding company providing management services to the Ontario Subsidiaries and strategic direction to the Atlas Group. Atlas' operations are substantially conducted through its Ontario Subsidiaries, AgMedica and GreenSeal in particular.

12. Atlas is a reporting issuer in British Columbia, Alberta, Manitoba and Ontario and its shares are listed on the Canadian Securities Exchange under the ticker symbol "ATL".

13. AgMedica is licensed producer of cannabis in respect of its indoor production and distribution facility at 566 Riverview Drive, Chatham-Kent, Ontario (the "**Chatham Facility**"). AgMedica wholly owns and controls three subsidiaries:

   a. 5047 Ontario which owns the Chatham Facility and is liable under the mortgages on the property;

   b. Tavivat, which has no employees or liabilities. It was acquired along with 8050 Canada to become the operating company for the contemplated infused beverage business; and

   c. 8050 Canada is a subsidiary of Tavivat with no employees, assets, or liabilities. Its only asset is intellectual property related to a specialized bottle cap that can be used to infuse the beverage with cannabis.

   d. Unique Beverages (USA) Inc. is a subsidiary of Tavivat that is organized in Delaware. It is a dormant corporation with no operations presently.

14. AgMedica controls a fifth subsidiary, Wellworth, which has no operations, employees, or liabilities. It was acquired to facilitate access to the Canadian medical cannabis market prior to legalization of recreational use. AgMedica owns 80% of Wellworth, and the remaining 20% is owned by 11213091 Canada Inc.

15. GreenSeal is a licensed producer of cannabis based in Stratford, Ontario in respect of its facility located at 530 Wright Boulevard, Stratford, Ontario (the "**Stratford Facility**").

16. GreenSeal Nursery is a licensed cannabis nursery in Stratford, Ontario. It owns and manages over 1,000 cannabis plants' genetics.

17. Atlas has a wholly owned subsidiary incorporated in Israel named Cambrosia Ltd. ("**Cambrosia**"). Cambrosia acquired a 51% interest in entities that operate three Israel pharmacies (Tlalim Pappo Ltd., Pharmacy Baron Ltd., and R.J. Regavim Ventures Ltd., collectively the "**Israel Subsidiaries**"). The Atlas Group sells medical cannabis products through the Israel pharmacies directly to patients. The Israel Subsidiaries are not Applicants in these proceedings and no relief is being sought in relation to them at this time.

CIRCUMSTANCES LEADING TO THE APPLICANTS' CCAA FILING

18. As further detailed in the Cervi Affidavit, the Applicants' liquidity issues were precipitated by four events that eroded the Atlas Group's ability to raise capital and its receipt of cash:

   a. on August 8, 2023, the Ontario Securities Commission issued a cease-trade order as a result of Atlas' failure to file certain continuous disclosure documents which prevented Atlas from issuing securities to raise capital including working capital. The delays in reporting are primarily attributable to the complexities around accounting and financial reporting following the business combination completed by Atlas in December 2022. Atlas states that it has now made all required filings and on May 23, 2024 applied for a revocation of the cease-trade order, which remains pending;

   b. Atlas' transaction to acquire a majority interest in a private limited liability company ("**Harmony**") was terminated and Harmony failed to repay a loan of approx. CAD $530,000. Harmony also sold product for which it collected but did not remit proceeds owing to Atlas' Israeli subsidiary. Atlas sued Harmony and others in Israel to recover approximately CAD $1.4 million, and those proceedings are pending. This development materially and negatively impacted the Atlas Group's cash position;

   c. In February 2024, the Canada Revenue Agency ("**CRA**") began to take enforcement steps, including garnishing 50% of GreenSeal's receivables (the "**CRA Garnishments**"), which materially and negatively impacted the Atlas Group's cash position. GreenSeal had approximately $2,919,273.95 in excise tax arrears as at May 20, 2024. The CRA is also refusing to supply excise stamps to GreenSeal, which prevents GreenSeal from selling its product, and is threatening to suspend or not renew GreenSeal's licence; and

d. GreenSeal had entered into a factoring relationship with Stoke Canada Finance Corp. ("**Stoke**") with respect to certain Eligible Receivables. As a result of the CRA's garnishments of Eligible Receivables, Stoke sent a demand letter to GreenSeal dated May 27, 2024, demanding payment of more than \$1.8 million and providing a section 244 notice of its intention to enforce security. On June 13, 2024, Stoke issued a notice of application asking the Court to appoint PricewaterhouseCoopers Inc. ("**PwC**") as receiver of certain assets of GreenSeal.

19. Furthermore, AgMedica has recently received two demand letters from Hillmount Capital Inc. (the "**Hillmount**"). As detailed in the Cervi Affidavit, Hillmount previously advanced \$3.0 million to AgMedica which bears interest at the greater of 9.50% per annum or the RBC Prime Lending Rate plus 4.25%, and is secured against AgMedica's facility at 566 Riverview Drive, Chatham, Ontario. Hillmount sent a demand letter on June 11, 2024 demanding payment of arrears, taxes and legal costs. Hillmount sent another demand letter on June 18, 2024 demanding repayment in full and attaching a section 244 notice of its intention to enforce security.

20. It is the Proposed Monitor's understanding that many other licensed producers of cannabis in Canada face similar pressures due to market conditions that have challenged the cannabis industry.

21. Atlas has identified a number of opportunities for improved profitability and growth that are set out in the Cervi Affidavit and believes that if it can weather the liquidity challenges that it is currently facing as a result of the above factors and obtain interim financing, there is a reasonable prospect of an outcome that will be more beneficial to its stakeholders than a liquidation.

22. The proposed CCAA proceedings will allow the Applicants an opportunity to obtain the interim financing necessary to address its immediate liquidity challenges and, in the

interim, preserve supply relationships, preserve jobs for its employees, and provide stability for the benefit of all the Applicants' stakeholders.

OVERVIEW OF APPLICANTS' THIRTEEN WEEK CASH FLOW PROJECTION

23. The Applicants, with the assistance of the Proposed Monitor, have prepared a Cash Flow Forecast for the 3 week period from June 17, 2024 to the week ending July 7, 2024 (the "**Cash Flow Period**") for the purpose of projecting the Applicants' estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Forecast is attached as **Appendix "A"** to this Report.

24. The Cash Flow Forecast is presented on a weekly basis during the Cash Flow Period and represents the estimates of Management of the projected cash flow during the Cash Flow Period. The Cash Flow Forecast has been prepared by the Applicants using probable and hypothetical assumptions (the "**Assumptions**") set out in the notes to the Cash Flow Forecast.

25. The Proposed Monitor has reviewed the Cash Flow Forecast through inquiries, analytical procedures and discussions, and review of documents related to the Information supplied to it by certain key members of Management and employees of the Applicants. Based on the Proposed Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:

    a. the Assumptions are not consistent with the purpose of the Cash Flow Forecast;

    b. as at the date of this Report, the Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Forecast, given the probable and hypothetical assumptions; or

    c. the Cash Flow Forecast does not reflect the Assumptions.

26. The Applicants maintain bank accounts with Alterna Savings, Libro Credit Union and Royal Bank of Canada for their operations. Currently, the Applicants have no bank credit or overdraft facilities.

27. The Cash Flow Forecast shows that during the Cash Flow Period, the Applicants project estimated total combined receipts of approximately $1.56 million and project estimated total combined disbursements of approximately $1.4 million. The Cash Flow Forecast projects that the Applicants will have sufficient liquidity until the comeback hearing scheduled for June 27, 2024 (the "**Comeback Hearing**").

28. As detailed in the Cervi Affidavit, the Cash Flow Forecast contains the following conservative assumptions:

   a. Customers who are subject the CRA Garnishments will not remit to the Applicants the portion of the receipts subject to those CRA Garnishments, despite the stay of proceedings; and

   b. the domestic receipts in respect of which Stoke asserts an interest are not included in the Cash Flow Forecast as receipts until the question of to whom those receipts belong is resolved.

29. The Applicants are in discussions with several parties interested in providing a debtor-in-possession facility (a "**DIP Facility**") to fund operations during the CCAA proceedings beyond the Comeback Hearing but have not yet finalized the terms of such DIP Facility. At the Comeback Hearing, the Applicants intend to seek court approval for the Applicants to borrow under a DIP Facility.

EY'S QUALIFICATION TO ACT AS MONITOR

30. EY is a licensed insolvency trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (Canada). EY is not subject to any of the restrictions set out in section 11.7(2) of the CCAA on who may be appointed as Monitor.

31. The Proposed Monitor notes that a current Director of five of the Applicants (Atlas, 5047 Ontario, Wellworth Health Corp., Tavivat, 8050 Canada), Trevor Henry, is the brother of a member of the Global Executive Committee of the EY Global network of member firms. The member is employed by EY International Services Inc. ("**EYIS**") and provides services to EY Global under an agreement between EYIS and EY Global. The member is

not an officer, director, or employee of EY, and none of the member, EYIS or EY Global is a direct or indirect owner or shareholder of EY or exercises control over EY. EY is not related to Trevor Henry or any of the Applicants. The member will not be involved in the conduct of any aspect of EY's responsibilities as Monitor, if appointed.

32. The Proposed Monitor also notes that, on June 28, 2023, EY was also appointed to act as the court-appointed receiver and manager of Atlas Biotechnologies Inc. and Atlas Growers Ltd. ("**Atlas Growers**" and collectively, the "**Alberta Subsidiaries**") which are subsidiaries of Atlas (the "**Alberta Receivership**"). In this capacity, EY commenced an action against GreenSeal in Alberta to recover an unpaid invoice in the amount of $351,712.50. The Statement of Claim is attached to the Cervini Affidavit as Exhibit "AA". The Alberta Receivership is being conducted out of a different office (Edmonton) in a different Province and none of the individuals that are involved in the Alberta Receivership will be involved in any aspect of EY's responsibilities as Monitor, if appointed.

33. The above relationships and roles do not disqualify EY from acting as Monitor and do not give rise to any conflict. EY is bringing these relationships and roles to the attention of the Court and the stakeholders in the sprit of full disclosure.

34. EY previously acted as the court-appointed monitor of three of the Applicants – AgMedica, 8050 Ontario and Tavivat – in their CCAA proceedings between December 2, 2019 and April 23, 2021. This prior experience in the business and financial affairs of AgMedica, which is a significant part of the Atlas Group, means that EY has unique experience and expertise with respect to the Applicants' business and is accordingly best positioned to act as Monitor in these proceedings, if appointed. EY already has an understanding of the Applicants' operations, and cash flow, and will be in a position to very quickly and seamlessly perform its responsibilities as Monitor, if appointed.

35. The Proposed Monitor has retained McCarthy Tétrault LLP to act as its independent counsel.

RELEVANT MATTERS ADDRESSED IN THE PROPOSED INITIAL ORDER

36. The Proposed Initial Order provides for three super-priority charges (collectively, the "**Charges**") on the current and future assets, undertakings and properties of the Applicants, wherever located, including all proceeds thereof that rank in the following order:

a. first, the Administration Charge;

b. second, the Directors' Charge; and

c. third, the Intercompany Charge.

37. The Proposed Initial Order provides that the Charges will prime secured creditors. The Proposed Monitor understands that the Applicants have, or will, provided their secured creditors with notice of their application prior to the hearing. Such secured creditors will be included on the Service List in connection with these CCAA proceedings moving forward and, as such, will be provided with motion materials in connection with the comeback motion, upon which the Applicants will seek, among other things, a stay extension and approval of a DIP Facility.

Administration Charge

38. The Proposed Initial Order provides for a charge up to a maximum amount of $400,000 (the "**Administration Charge**") in favour of counsel to the Applicants, the Proposed Monitor and the Proposed Monitor's independent counsel, as security for the professional fees and disbursements incurred prior to and after the commencement of the CCAA proceedings. Professional fee obligations secured by the Administration Charge will be paid in the ordinary course from funds on hand.

39. The Proposed Monitor is of the view that given the current liquidity constraints of the Applicants, the proposed Administration Charge is required and reasonable in the circumstances. The Proposed Monitor believes the quantum of the Administration Charge is reasonable in the circumstances and is limited to what is reasonably necessary for the initial 7-day period based upon a review and assessment of the anticipated professional costs to be incurred during this matter.

40. The Proposed Monitor has canvassed the size of Administration and Directors' Charges that have been granted in CCAA initial orders covering the initial 7-day period in other recent CCAA proceedings involving cannabis companies. The following is a summary of these precedents and certain relevant information for comparison purposes:

	Admin Charge	**Directors' Charge**	**Employees**	**Assets**
Atlas Global Brands Inc. (proposed)	$400,000	$920,000	180	$65.2M
Indiva Limited (June 13, 2024)	$400,000	$765,000	212	$37.8M
Heritage Cannabis Holdings Corp. (April 2, 2024)	$250,000	$900,000	162	$55.8M
BZM Ltd. (February 28, 2024)	$500,000	$5.3M	441	$195.7M
Safari Flower Company (January 12, 2024)	$150,000	$61,000	29	$31.7M
Humble & Fume Inc. (January 5, 2024)	$150,000	N/A	73	$28.1M
Aleafia Health Inc. (July 25, 2023)	$500,000	$835,000	151	$59.9M
Fire & Flower Holdings Corp. (June 5, 2023)	$600,000	$2.8M	774	$147.0M
Chalice Brands Ltd. (May 23, 2023)	$400,000	N/A	171	$32.9M
Phoena Holdings Inc. (April 4, 2023)	$200,000	$450,000	238	$116.0M
Cannapiece Group Inc. (November 3, 2022)	$500,000	$500,000	155	$24.8M
Flowr Corporation (October 20, 2022)	$350,000	$600,000	83	$50.5M

41. The Proposed Monitor believes that the size of the Administration Charge is consistent with the Administration Charges that have been approved in other cases. The scope of Atlas' business and the work that will be required during the initial 7-day period appears to be consistent with, or greater than, Indiva Limited, Aleafia Health Inc., Chalice Brands

Ltd. and Cannapiece Group Inc. where Administration Charges of $400,000 or more were approved for the initial 10-day period.

42. The Monitor understands that Stoke and/or Hillmount have expressed an intention to oppose the Administration Charge being given priority over their respective security interests. In order for there to be any potential for interim financing to be obtained and the above-mentioned opportunities to be realized for the benefit of all of Atlas' stakeholders – including its approximately 180 employees and the communities of Chatham and Stratford in which the Atlas Group principally operates – the Atlas Group will require the significant involvement of its counsel, the Monitor and Monitor's counsel during the initial 7-day stay period. The Proposed Monitor's consent to act is conditional on an Administration Charge of sufficient size being given adequate priority.

43. The Applicants will seek to amend the Administration Charge to $650,000 under the proposed Amended and Restated Initial Order ("**ARIO**").

Directors' Charge

44. The Proposed Initial Order provides for a charge in an amount not to exceed $920,000 (the "**Directors' Charge**") to secure an indemnity in favour of the current director and officers of the Applicants (the "**Director and Officers**") against obligations and liabilities that they may incur as director or officers of the Applicants after the commencement of these CCAA proceedings, except to the extent that the obligation or liability is incurred as a result of such director's or officer's gross negligence or willful misconduct.

45. The Director and Officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, to the extent such coverage is insufficient to pay an indemnified amount as described above, or to the extent that such coverage is denied by the insurance provider.

46. The Proposed Monitor reviewed the calculation of the Directors' Charge that was prepared by the Applicants taking into consideration the estimated payroll-related costs, the timing of such payroll related costs, the vacation accrual, and an estimate of costs related to

harmonized sales taxes and excise taxes. Attached as Appendix B is the calculation of the Director's Charge.

47. The Proposed Monitor is of the view that the Directors' Charge is required and is reasonable under the circumstances, it is limited to what is reasonably necessary for the initial 7-day period and is consistent with the size of Directors' Charges that have been approved in other cases.

48. The Applicants will seek to increase the Directors' Charge to $1,420,000 under the proposed ARIO.

Intercompany Charge

49. The Proposed Initial Order provides for an intercompany charge (the "**Intercompany Charge**") to secure amounts to the extent that any Applicant (the "**Intercompany Lender**"), after the date of the Initial Order, makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, an Applicant (other than itself) (the "**Debtor Applicant**") or otherwise transfers value to or for the benefit of one or more Applicants (other than the Debtor Applicant).

50. The Cash Flow Forecast contemplates GreenSeal lending AgMedica approximately $61,000 to fund its operations prior to the Comeback Hearing.

51. The Proposed Monitor is of the view that the Intercompany Charge is appropriate in the circumstances.

CONCLUSIONS AND RECOMMENDATIONS

52. The Proposed Monitor has reviewed the Applicants' CCAA application materials and has consented to act as the Monitor of the Applicants, should this Court grant the Proposed Initial Order. The Proposed Monitor believes that the relief in the Proposed Initial Order is limited to relief that is reasonably necessary for the continued operations of the debtor company in the ordinary course of business until the Comeback Hearing.

53. For the reasons stated herein, the Proposed Monitor believes it is appropriate for the Applicants to be granted protection under the CCAA and recommends that the Court grants the Proposed Initial Order.

All of which is respectfully submitted this 20th day of June 2024.

ERNST & YOUNG INC., in its capacity as Proposed Monitor of the Applicants, and not in its corporate or personal capacity.

per:

K. Fung

Karen Fung, CPA, CA
Senior Vice President

APPENDIX "A"
CASH FLOW FORECAST AND NOTES

Atlas Global Brands Inc., GreenSeal Cannabis Company, Ltd., GreenSeal Nursery, Ltd., AgMedica Bioscience Inc., Wellworth Health Corp., 50473946 Ontario Inc., 8050678 Canada Inc. and Tavivat Naturals Inc.
Consolidated 4 Week Cash Flow Forecast
$CDN

	Notes	Week Commencing 17-Jun-24	24-Jun-24	01-Jul-24	Total
Receipts	*1*				
Domestic		100,000	100,000	34,468	234,468
B2B Wholesale		200,000	303,000	68,691	571,691
International		297,200	200,000	214,891	712,091
Rental Income		-	-	46,019	46,019
Total Receipts		597,200	603,000	364,069	1,564,269
Disbursements					
Payroll	*2*	-	491,063	-	491,063
Vendor Payments	*3*	108,800	114,200	187,119	410,119
Mortgage Payments		-	-	-	-
Utilities	*4*	125,000	-	47,000	172,000
Insurance	*5*	-	36,000	-	36,000
GST/HST	*6*	-	-	-	-
Excise Remittance/Licenses	*7*	-	35,000	-	35,000
Restructuring Process	*8*	180,000	-	100,000	280,000
Total Disbursements		413,800	676,263	334,119	1,424,182
Net Cash Receipts/(Disbursements)		183,400	(73,263)	29,950	140,087
Cash on Hand					
Opening balance	*9*	218,721	402,121	328,858	218,721
DIP Facility Draw/Repayment	*10*	-	-	-	-
Net Cash Receipts/(Disbursements)		183,400	(73,263)	29,950	140,087
Ending Cash Balance		402,121	328,858	358,808	358,808
DIP					
Opening Balance		-	-	-	-
DIP Facility Draw/Repayment		-	-	-	-
Ending Balance		-	-	-	-

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Notes to the Unaudited Cash Flow Forecast of the Applicants

June 17, 2024 to July 14, 2024 (the "Forecast Period")

Disclaimer:

In preparing this cash flow forecast (the "**Cash Flow Forecast**"), the Applicants, with the assistance of Ernst & Young Inc. (the "**Proposed Monitor**"), have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the Applicants' operations and additional assumptions discussed below with respect to the impact of a *Companies' Creditors Arrangement Act* ("**CCAA**") filing (the "**Probable and Hypothetical Assumptions**" or the "**Assumptions**"). Since the Cash Flow Forecast is based on Assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast Period will vary from the Cash Flow Forecast, even if the Assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Cash Flow Forecast includes the receipts and disbursements of the Applicants during the Forecast Period. The Applicants, with the assistance of the Proposed Monitor, have prepared the Cash Flow Forecast based primarily on estimated receipts and disbursements related to the Applicants' ongoing operations during the anticipated stay period.

Receipts and disbursements are denominated in Canadian dollars.

Assumptions:

1. **Receipts**
   This category includes receipts generated by the Applicants through the sale of cannabis products to provincial distributors domestically, bulk to other licensed producers and internationally to licensed customers in their respective countries. Rental income receipts are from leases with third party tenants in the Applicants' owned properties.

   Receipts from certain accounts receivable of GreenSeal Cannabis Company have been excluded from the Cash Flow Forecast as:

- the accounts receivable may be subject to security held by Stoke Inventory Partners Inc. (“**Stoke**”) for which Stoke has made advances; and
- the accounts receivable may be subject to garnishments by Canada Revenue Agency.

2. Payroll Costs
Employees are paid on a bi-monthly basis and represents gross payroll, WSIB, EHT and employee benefits.

3. Vendor payments
Represents disbursements related to purchase of raw materials, consumables, freight, general repairs and maintenance, security, temporary labour and other facility expenses.

4. Utilities
Represents the cost of gas, water and hydro.

5. Insurance
Represents insurance expenses.

6. GST/HST
Represents sales taxes.

7. Excise Remittances/Licenses
Represents expenses such as Health Canada licences and excise duty taxes.

8. Restructuring Process
Restructuring costs include professional fee payments and expenses of the Applicants’ legal counsel, the proposed Monitor and its counsel in connection with the Applicants’ restructuring proceedings.

9. Beginning Balance
Represents the opening cash balance as of June 17, 2024.

10. DIP Draws
The Applicants require DIP financing to fund the CCAA proceedings and are seeking a DIP lender.

APPENDIX "B"
DIRECTORS' CHARGE

Atlas Global Brands Inc.
Preliminary Director and Officer (D&O) Liabilities Charge Sizing Analysis
CDN $

	First 10-day Period	Estimated Full Exposure	**Note**
Wages and Salaries			a)
AgMedica	$ 274,000	$ 411,000	
GreenSeal	$ 169,313	$ 253,970	
	$ 443,313	$ 664,970	
Vacation Pay			b)
AgMedica	$ 72,294	$ 77,774	
Atlas Global Brands	$ 167,441	$ 167,441	
GreenSeal	$ 100,528	$ 103,914	
	$ 340,263	$ 349,129	
Withholding Taxes			c)
AgMedica	$ -	$ -	
GreenSeal	$ -	$ -	
	$ -	$ -	
Employee-Related Liabilities	$ 783,576	$ 1,014,098	
Post-filing HST and Excise Duty			d)
AgMedica	$ 8,333	$ 25,000	
GreenSeal	$ 126,333	$ 379,000	
Post-filing Tax-Related Liabilities	$ 134,667	$ 404,000	
Total	$ 918,242	$ 1,418,098	
D&O Charge Assessment (rounding)	$ 920,000	$ 1,420,000	

Salaries included in AgMedica

Notes

a) Payroll is paid bi-weekly and is paid 1 week in arrears. Given past source arrears, Company intends to remit payroll source deductions at time payroll is funded. The maximum post-filing exposure is estimated based on the day prior to funding the payroll and woud represent 1.5 pay periods.
b) Accrued vacation liability as June 15, 2024 +4% of the wages.
c) Source deductions for payroll for June 13, 2024 to be paid June 18, 2024.
d) Represents an estimate of the maximum HST and Excise duty exposure on a monthly filing basis based on the monthly cash flow forecast.