Court File No. CV-24-00722386-00CL

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 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")**

SUPPLEMENT TO THE FIRST REPORT OF THE MONITOR DATED JULY 2, 2024

INTRODUCTION

1. This supplement to the First Report of the Monitor (the "**Supplemental First Report**") is provided in reference to the Monitor's First Report dated June 27, 2024 (the "**First Report**") All capitalized terms used but not defined in this Supplemental First Report shall have the meanings given to them in the First Report. This Supplemental First Report should be read in conjunction with the First Report and the affidavit of Jason Cervi affirmed on June 30, 2024 (the "**Third Cervi Affidavit**").

PURPOSE

2. The purpose of this Supplemental First Report is to provide further information to the Court, in connection with the Applicants' motion initially returnable June 27, 2024, and adjourned to June 28, 2024 and then to July 2, 2024, on:

   a. the amendment to the proposed DIP Term Sheet and the DIP Lender's Charge;

   b. the proposed bridge loan facility and related charge;

c. the revised ARIO from the original proposed ARIO in the Applicants motion materials filed between June 26-28, 2024 (“**Original ARIO**”);

d. a revised weekly cash flow forecast from June 24, 2024 to October 4, 2024 on an unconsolidated basis for certain of the Applicants (the “**Revised Cash Flow Forecast**”);

e. the Monitor’s recommendation in respect of the Applicants request for a revised ARIO (the “**Proposed ARIO**”) substantially in the form included at Tab 2 to the Applicants’ Motion Record dated July 1, 2024, among other things:

   i. increasing the maximum amount of the Administration Charge to $600,000;

   ii. increasing and bifurcating of the Directors’ Charge into a GreenSeal Director’s Charge (defined herein) to $740,000 and an AgMedica Director’s Charge (defined herein) to $680,000;

   iii. approving the revised term sheet dated June 29, 2024 (the “**DIP Term Sheet**”) between the Applicants and Shalcor Management Inc. (the “**DIP Lender**”), authorizing borrowings under the DIP Facility (as defined below) in an amount up to $5,000,000 (plus interest, fees and expenses), and granting a charge in favour of the DIP Lender (the “**DIP Lender’s Charge**”);

   iv. approving the term sheet dated June 29, 2024 (the “**Bridge Term Sheet**”) between the Applicants and the DIP Lender, authorizing borrowings under the Bridge Facility (as defined below) in an amount up to $3,750,000 (plus interest, fees and expenses), and granting a charge in favour of the DIP Lender (the “**Bridge Lender’s Charge**”);

   v. relief related to Atlas’ securities reporting obligations;

   vi. sealing the Confidential Cervi Affidavit (defined herein); and

   vii. extending the Stay Period to July 26, 2024.

TERMS OF REFERENCE

3. In preparing this Supplemental First Report and making the comments herein, the 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 Supplemental First Report in respect of the Cash Flow Forecast:

    a. the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of 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 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 Supplemental First 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.

4. Future oriented financial information referred to in this Supplemental First 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.

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

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

BACKGROUND

7. Since the First Report and the June 27, 2024 return date of the Applicants' motion for the Original ARIO, the Applicants have continued discussions with its each of its secured lenders that opposed the granting of the Original ARIO and commenced competing receivership applications including:

   a. Hillmount Capital Inc. (the "**Hillmount**") which is owed approximately $3.4 million under a First Mortgage Loan secured by a mortgage against the Chatham Facility of AgMedica Bioscience Inc. ("**AgMedica**") and a fixed and floating charge over all of the assets and undertakings of AgMedica;

   b. Your Neighbourhood Credit Union Limited ("**YNCU**") which is owed approximately $5.1 million under mortgage and credit facilities that are secured by a mortgage against the Stratford Facility of GreenSeal Cannabis Company, Ltd. ("**GreenSeal**") and a fixed and floating charge over all of the assets and undertakings of GreenSeal;

   c. Stoke Canada Finance Corp. ("**Stoke**") which is owed approximately $1.8 million under a Receivables Purchase Agreement with respect to certain Eligible Receivables. Stoke asserts that it owns certain Purchased Receivables and holds a security interest over all of GreenSeal's Eligible Receivables (as each term is defined in the Receivables Purchase Agreement).

8. As a result of these discussions, the Applicants have adjusted their proposed structure for financing these CCAA proceedings which:

   a. addresses the issues expressed by the secured creditors of AgMedica and the Applicants other than GreenSeal; and

   b. is subject to ongoing discussion with the secured creditors of GreenSeal.

9. This Supplemental First Report will provide updates and revisions as against the First Report.

DIP FACILITY AND RELATED DIP LENDER'S CHARGE

10. The DIP Term Sheet previously contemplated a DIP Facility of $7 million that would be made available to all of the Applicants and a DIP Charge (i) against the Applicants other than GreenSeal in the maximum amount of $7 million, and (ii) against GreenSeal in the maximum amount of $3 million.

11. As both of the secured creditors of GreenSeal objected to the DIP Charge priming their security, the Applicants pursued further negotiations with the DIP Lender and have negotiated a solution that results in the secured creditors of GreenSeal not being primed.

12. The DIP Term Sheet has been revised to provide for lending to the Applicants other than GreenSeal only, and correspondingly to provide for a priming charge only against the property of the Applicants other than GreenSeal. The revisions to the DIP Term Sheet include:

    a. GreenSeal is no longer a Borrower and as such there is no security being granted in relation to any property owned by GreenSeal;

    b. principal amount reduced from $7,000,000 to $5,000,000;

    c. increase in interest from 13% to 15% per annum;

    d. commitment fee reduced from $210,000 to $150,000, still representing 3% of the principal amount available; and

    e. the DIP Lender's security is still subordinates to the Administration Charge, but the maximum amount of the Administration Charge has been reduced from $650,000 to $600,000.

13. A copy of the DIP Term Sheet is attached as Exhibit "A" to the Third Cervi Affidavit.

14. In light of the recent discussions, the Applicants still believe that the terms being offered in the DIP Term Sheet, including the interest rate and fee, are reasonable in the

circumstances and interest rates and costs are similar in recent CCAA filings, including those within the cannabis industry. The Monitor concurs with this assessment.

15. The Monitor believes that the DIP Term Sheet is the most favourable interim financing option proposed and received in the short time frame available to the Applicants to seek funding and in light of the positions taken by their creditors.

16. As further discussed herein, the DIP Lender has now provided the Bridge Term Sheet (defined herein) which would result in the DIP Lender also being the senior secured lender for the Borrowers, replacing Hillmount.

17. The AgMedica CFF (as defined herein) as attached to this Supplemental Report illustrates the cash flow for Borrowers, separate from GreenSeal. As described in the Revised Cash Flow Forecast, without access to the DIP Facility, the Borrowers would exhaust their liquidity immediately. The super-priority of the DIP Charge contemplated would only be on the Borrowers, not GreenSeal, and is a necessary and required condition of the DIP Term Sheet in order for funding to be advanced. In addition, the DIP Charge has been reduced from $7,000,000 to $5,000,000 to reflect the revised maximum principal amount. Accordingly, the Monitor is of the view that the approval of the DIP Term Sheet and the DIP Lender's Charge is necessary and reasonable in the circumstances.

18. The Monitor understands that approval of the DIP Term Sheet and the DIP Charge is not opposed by the secured creditors of the Borrowers, and does not affect the secured creditors of GreenSeal.

BRIDGE FACILITY AND RELATED BRIDGE LENDER'S CHARGE

19. The Applicants and the DIP Lender established a second subordinate bridge loan facility (the "**Bridge Facility**") specifically to pay out the Applicants' indebtedness to Hillmount. The Borrowers are same as the DIP Facility.

20. The key terms include:

   a. non-revolving facility in the maximum principal amount of $3,750,000;

b. interest rate is 15%;

c. commitment fee of $37,500 representing 1% of the principal amount available;

d. matures the earlier of:

    i. July 17, 2024;

    ii. the closing of a sale or investment transaction, including a sale of any of the Real Property, resulting from a SISP or otherwise; which transaction has been approved by an order of the Court;

    iii. the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majority of the Borrowers' creditors and by an order of the Court;

    iv. the date on which the CCAA Proceedings are terminated for any reason, and

    v. the occurrence of an Event of Default (as defined herein), subject to a cure period of three (3) days.

21. Similar to the terms of the DIP Facility, the Applicants believe that the terms being offered in the Bridge Term Sheet, including the interest rate and fee, are reasonable. The Monitor concurs with this assessment.

22. In addition to the approval of the Bridge Term Sheet, the ARIO also provides for the creation of a related charge, the Bridge DIP Charge, in favour of the DIP Lender to secure all obligations that may be owing to the DIP Lender under the DIP Term Sheet up to the maximum principal amount of $3,750,000. The Bridge DIP Charge is proposed to rank after the DIP Lender's Charge and only have a charge against the Property of the Borrowers, not GreenSeal.

23. As the Bridge Facility is being used to payout the Hillmount indebtedness, the Bridge DIP Charge in effect assumes the same priority position as Hillmount had. As a result, the creditors of the Borrowers are not adversely affected by the Bridge DIP Charge.

24. Upon confirmation by Hillmount of their full payout, the Monitor shall file a Monitor's Confirmation Certificate advising that the Hillmount payout is complete. Upon filing the Monitor's Certificate, the DIP Charge and the Bridge DIP Charge will have the priority contemplated in the ARIO.

25. A copy of the Bridge Term Sheet is attached as Exhibit "B" to the Third Cervi Affidavit.

26. It is the Monitor's view that the Bridge Term Sheet and the related charge is appropriate and reasonable in the circumstances.

27. The Monitor understands that approval of the Bridge Term Sheet and the Bridge DIP Charge is not opposed by the secured creditors of the Borrowers, and does not affect the secured creditors of GreenSeal.

STATUS OF NEGOTIATIONS WITH GREENSEAL SECURED CREDITORS

28. Since the return of the Applicants' motion for the Original ARIO, the Applicants have continued to negotiate with the secured creditors of GreenSeal, YNCU and Stoke, to attempt to find a financing solution that would allow GreenSeal to continue operating as a going concern and complete a sale and investment solicitation process ("**SISP**") for the entire business of the Applicants. The Applicants believe that marketing the AgMedica and GreenSeal businesses together will generate greater value for its stakeholders.

29. The Applicants have reached an arrangement to adjourn YNCU's receivership application that is satisfactory to YNCU whereby:

    a. The Directors' Charge and GreenSeal Directors' Charge will not prime YNCU's security against GreenSeal;

    b. The Administration Charge will prime YNCU's security against GreenSeal but will be limited to $600,000;

    c. GreenSeal will demonstrate that it has sufficient funds to self-fund through the end of the SISP;

d. The terms of the SISP will be satisfactory to YNCU and YNCU will have consultation rights as it pertains to its collateral; and

e. YNCU reserves the right to bring its receivership application back before the Court in the event that the CCAA proceeding is not proceeding in a manner satisfactory to YNCU, such as insufficient funding or a material adverse change.

30. Discussions with Stoke remain ongoing as of the date of this Supplement to the First Report. In the evening of July 1, 2024, Stoke provided a DIP term sheet proposing to provide financing to the GreenSeal business during the CCAA proceedings. The Applicants and the Monitor are in the process of reviewing and assessing this DIP term sheet and intend to engage with Stoke on it.

31. The Monitor does not expect that the Applicants will be in a position to execute a DIP term sheet or otherwise resolve the concerns of Stoke prior to the next hearing on July 2, 2024. The Applicants and Stoke require further time to engage on it between now and the end of the week on July 5, 2024.

OVERVIEW OF APPLICANTS' REVISED CASH FLOW FORECAST

32. The Applicants, with the assistance of the Monitor, have prepared a Revised Cash Flow Forecast which includes forecast receipts and disbursements for the period from June 24, 2024 to the week ending October 4, 2024 (the "**Cash Flow Period**") for the purpose of projecting certain of the Applicants' estimated liquidity needs during the Cash Flow Period. A copy of the Revised Cash Flow Forecast is attached as **Appendix "A"** to this Supplemental First Report.

33. The Revised Cash Flow Forecast includes the following:

a. the Cash Flow Forecast for the Applicants excluding GreenSeal and 50473946 Ontario Inc. (the "**AgMedica Applicants**") (the "**AgMedica CFF**"); and

b. the Cash Flow Forecast for 50473946 Ontario Inc. (the "**504 CFF**"), and represents the estimates of Management of the Applicants' projected cash flow during the Cash Flow Period.

AgMedica Applicants

34. The AgMedica CFF shows that the AgMedica Applicants project estimated total combined receipts of approximately $3.2 million and estimated total combined disbursements of approximately $7.9 million.

35. The AgMedica CFF assumes the DIP Facility is available to the Borrowers. As contemplated in the DIP Term Sheet, the DIP Facility is available to fund working capital needs of the AgMedica Applicants including servicing ordinary course payments of principal and interest to certain secured creditors. It assumes that the ending cash balance at September 30, 2024 will be approximately $1,000 and would have drawn from the DIP Facility approximately $4,450,000.

36. There have been no significant revisions to the AgMedica Applicants' projected net cash flow from the First Report.

*50473946 Ontario Inc. ("**504**")*

37. The 504 CFF remain mostly unchanged with minor adjustments to the DIP Fee and estimated vendor payments.

38. The 504 CFF shows that 504 projects estimated total combined receipts of approximately $129,000 and estimated total combined disbursements of approximately $630,200. It assumes that the ending cash balance at September 30, 2024 will be approximately $49,000 and would have drawn from the DIP Facility approximately $550,000.

GreenSeal

39. Given the ongoing discussions between GreenSeal and Stoke on financing the CCAA proceedings, including the provision of a draft DIP term sheet, the Cash Flow Forecast for GreenSeal has not been updated at this time. The previous Cash Flow Forecast appended to the First Report indicated that GreenSeal had sufficient liquidity to fund its business

until July 5, 2024 without needing to utilize any receivables in which Stoke claims an interest.

40. It is for this reason that the Applicants are seeking an extension of the Stay Period for GreenSeal only to July 5, 2024. On or before that date, in order to have sufficient liquidity to continue operating, GreenSeal will have to obtain further financing (such as through the DIP facility proposed by Stoke) or demonstrate that Stoke does not have a sufficient interest in those receivables and they can be used to fund the business. Stoke disputes the latter.

41. The Applicants have proposed terms that would result in the extension of the Stay Period and the adjournment of the Stoke receivership application to July 5, 2024 not prejudicing Stoke. The extension of the Stay Period will be without prejudice to Stoke's receivership application, none of the new charges will prime Stoke's security and GreenSeal agrees that it shall not use any receivables in which Stoke claims an interest to fund its business in the interim.

PROPOSED AMENDED AND RESTATED INITIAL ORDER

Amendment to the Increase to the Directors' Charge

42. Pursuant to the Initial Order, this Court granted the Directors' Charge in the maximum amount of $500,000 in favour of the Applicants' current officers and directors. The Applicants originally sought to increase the quantum of the Directors' Charge to $1,400,000 in relation to all of the Applicants to account for additional exposure that may arise as a result of the extension of these CCAA Proceedings.

43. The proposed increase has been apportioned between the Applicants as follows:

a. a Directors' Charge to the maximum of $680,000 which shall only be a charge in respect of Property for all Applicants other than GreenSeal; and

b. a GreenSeal Directors' Charge to the maximum of $740,000 which shall only be a charge in respect of GreenSeal's Property.

44. The revision reflects the same total increase of $1,420,000 however it is now apportioned to reflect the wages, vacation pay and HST and excise duties that the directors may be personally liable for in relation to GreenSeal and the other Applicants.

45. The Director's Charge shall continue to be subordinate to Hillmount and will rank behind the DIP Charge and the Bridge DIP Charge. The GreenSeal Director's Charge will be subordinated to the Administration Charge, YNCU and Stoke.

46. The Monitor reviewed the calculation of the Directors' Charge and the GreenSeal Director's 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. This calculation was attached as **Appendix "C"** to the First Report.

CONCLUSIONS AND RECOMMENDATION

47. For the reasons stated herein, the Monitor supports the relief sought by the Applicants and recommends the Court grant the Proposed ARIO with the additional proposed terms related to the GreenSeal adjournment if the Court see fit.

All of which is respectfully submitted this 2nd day of July 2024.

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

per:

K. Fung

Karen Fung, CPA, CA
Senior Vice President

APPENDIX "A"
REVISED CASH FLOW FORECAST AND NOTES

AgMedica Applicants
Cash Flow Forecast
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	Notes	Week Commencing															Total
		24-Jun-24	**01-Jul-24**	**08-Jul-24**	**15-Jul-24**	**22-Jul-24**	**29-Jul-24**	**05-Aug-24**	**12-Aug-24**	**19-Aug-24**	**26-Aug-24**	**02-Sep-24**	**09-Sep-24**	**16-Sep-24**	**23-Sep-24**	**30-Sep-24**	
Receipts	*1*																
Domestic		-	18,468	18,468	18,468	18,468	13,297	13,297	13,297	13,297	13,297	14,959	14,959	14,959	14,959	14,959	215,152
B2B Wholesale		48,000	49,941	49,941	49,941	49,941	35,000	35,000	35,000	35,000	35,000	31,250	31,250	31,250	31,250	31,250	579,015
International		119,517	214,891	214,891	214,891	214,891	180,149	180,149	180,149	180,149	180,149	202,271	202,271	202,271	202,271	202,271	2,891,182
Intercompany Sales / (Purchases)		-	-	-	-	-	-	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(450,000)
Total Receipts		167,517	283,300	283,300	283,300	283,300	228,446	178,446	178,446	178,446	178,446	198,480	198,480	198,480	198,480	198,480	3,235,349
Disbursements																	
Payroll	*2*	231,351	-	284,000	-	294,000	18,500	284,000	-	274,000	38,500	284,000	-	274,000	38,500	284,000	2,304,851
Vendor Payments	*3*	22,600	123,200	144,300	94,800	233,700	123,200	144,300	94,800	100,200	126,500	160,500	84,800	100,200	126,500	160,500	1,840,100
Mortgage Payments	*4*	-	-	-	-	-	-	877,945	210,000	-	-	210,000	-	-	-	210,000	1,507,945
Vendor Deposits - post stay	*5*	-	150,000	40,000	-	-	-	-	-	-	-	-	-	-	-	-	190,000
Property Taxes	*6*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	*7*	-	-	125,000	-	-	-	105,000	-	-	-	105,000	-	-	-	105,000	440,000
Insurance	*8*	36,000	-	36,000	-	36,000	36,000	-	-	-	36,000	36,000	-	-	36,000	36,000	288,000
GST/HST	*9*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excise Remittance/Licenses	*10*	24,000	-	-	-	25,855	-	-	-	-	23,270	-	-	-	23,270	-	96,395
Factoring Settlements	*11*	-	-	-	-	-	50,000	-	-	-	-	-	-	-	-	-	50,000
DIP Fees	*12*	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	83,500	133,500
Restructuring Process	*13*	-	200,000	-	150,000	-	-	150,000	-	150,000	-	150,000	-	150,000	-	150,000	1,100,000
Total Disbursements		313,951	523,200	629,300	244,800	589,555	227,700	1,561,245	304,800	524,200	224,270	945,500	84,800	524,200	224,270	1,029,000	7,950,791
Net Cash Receipts/(Disbursements)		(146,434)	(239,900)	(346,000)	38,500	(306,255)	746	(1,382,799)	(126,354)	(345,754)	(45,824)	(747,020)	113,680	(325,720)	(25,790)	(830,520)	(4,715,442)
Cash on Hand																	
Opening balance	*14*	266,784	120,350	3,830,450	3,484,451	3,522,951	3,216,696	3,217,442	1,834,643	1,708,289	1,362,535	1,316,711	569,691	683,371	357,652	831,862	266,784
DIP Facility Draw/Repayment	*15*	-	3,950,000	-	-	-	-	-	-	-	-	-	-	-	500,000	-	4,450,000
Net Cash Receipts/(Disbursements)		(146,434)	(239,900)	(346,000)	38,500	(306,255)	746	(1,382,799)	(126,354)	(345,754)	(45,824)	(747,020)	113,680	(325,720)	(25,790)	(830,520)	(4,715,442)
Ending Cash Balance		120,350	3,830,450	3,484,451	3,522,951	3,216,696	3,217,442	1,834,643	1,708,289	1,362,535	1,316,711	569,691	683,371	357,652	831,862	1,342	1,342
DIP																	
Opening Balance		-	-	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	4,450,000	-
DIP Facility Draw/Repayment		-	3,950,000	-	-	-	-	-	-	-	-	-	-	-	500,000	-	4,450,000
Ending Balance		-	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	3,950,000	4,450,000	4,450,000	4,450,000

504
Cash Flow Forecast
$CDN

	Notes	Week Commencing															Total
		24-Jun-24	**01-Jul-24**	**08-Jul-24**	**15-Jul-24**	**22-Jul-24**	**29-Jul-24**	**05-Aug-24**	**12-Aug-24**	**19-Aug-24**	**26-Aug-24**	**02-Sep-24**	**09-Sep-24**	**16-Sep-24**	**23-Sep-24**	**30-Sep-24**	
Receipts	*1*																
Habitat for Humanity		-	9,326	-	-	-	9,326	-	-	-	-	-	-	-	-	-	18,652
UPS Canada		-	11,068	-	-	-	11,068	-	-	-	-	11,068	-	-	-	-	33,203
DIY Pallets		-	25,625	-	-	-	25,625	-	-	-	-	25,625	-	-	-	-	76,875
Intercompany Sales / (Purchases)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		-	46,019	-	-	-	46,019	-	-	-	-	36,693	-	-	-	-	128,730
Disbursements																	
Payroll	*2*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vendor Payments	*3*	-	46,019	-	-	-	46,019	-	-	-	-	36,693	-	-	-	-	128,730
Mortgage Payments	*4*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vendor Deposits - post stay	*5*		-														-
Property Taxes	*6*		-					360,000				125,000					485,000
Utilities	*7*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	*8*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST/HST	*9*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excise Remittance/Licenses	*10*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Factoring Settlements	*11*															-	-
DIP Fees	*12*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,500	16,500
Restructuring Process	*13*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements		-	46,019	-	-	-	46,019	360,000	-	-	-	161,693	-	-	-	16,500	630,230
Net Cash Receipts/(Disbursements)		-	-	-	-	-	-	(360,000)	-	-	-	(125,000)	-	-	-	(16,500)	(501,500)
Cash on Hand																	
Opening balance	*14*	-	-	550,000	550,000	550,000	550,000	550,000	190,000	190,000	190,000	190,000	65,000	65,000	65,000	65,000	-
DIP Facility Draw/Repayment	*15*	-	550,000	-	-	-	-	-	-	-	-	-	-	-	-	-	550,000
Net Cash Receipts/(Disbursements)		-	-	-	-	-	-	(360,000)	-	-	-	(125,000)	-	-	-	(16,500)	(501,500)
Ending Cash Balance		-	550,000	550,000	550,000	550,000	550,000	190,000	190,000	190,000	190,000	65,000	65,000	65,000	65,000	48,500	48,500
DIP																	
Opening Balance		-	-	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	-
DIP Facility Draw/Repayment		-	550,000	-	-	-	-	-	-	-	-	-	-	-	-	-	550,000
Ending Balance		-	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000

IN THE MATTER OF THE CCAA OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY LTD., AGMEDICA BIOSCIENCES INC. et al. (collectively, the "Applicants")

Notes to the Unaudited Cash Flow Forecast of certain of the Applicants

June 24, 2024 to October 6, 2024 (the "Forecast Period")

Disclaimer:

In preparing this cash flow forecast (the "**Revised Cash Flow Forecast**"), the Applicants, with the assistance of Ernst & Young Inc. (the "**Monitor**"), have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Revised 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 Revised 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 Revised 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 Revised Cash Flow Forecast includes the following:

- a separate Cash Flow Forecast for Atlas Global Brands Inc., GreenSeal Nursery, Ltd., AgMedica Bioscience Inc., Wellworth Health Corp., 8050678 Canada Inc. and Tavivat Naturals Inc. (collectively referred to as the "**AgMedica Applicants**") (the "**AgMedica CFF**"); and
- a separate Cash Flow Forecast for 50473946 Ontario Inc., ("**504**") (the "**504 CFF"**).

The Revised Cash Flow Forecast includes the receipts and disbursements of the AgMedica Applicants and 504 during the Forecast Period. The Applicants, with the assistance of the Monitor, have prepared the Cash Flow Forecast based primarily on estimated receipts and disbursements related to the AgMedica Applicants and 504's ongoing operations during the anticipated stay extension period. The Revised Cash Flow Forecast excludes any advances from the Bridge Facility to pay out the claim of Hillmount.

Receipts and disbursements are denominated in Canadian dollars.

Assumptions:

1. **Receipts**

This category includes receipts generated by the AgMedica 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 included in the 504 CFF are from leases with third party tenants in the Applicants' owned properties.

The AgMedica CFF reflect intercompany inventory sales/purchases to GreenSeal.

2. **Payroll Costs**
   Employees are paid on a bi-weekly 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. **Mortgage Payments**
   For the purpose of the AgMedica CFF, it assumes regular payments and arrears interest to secured lenders commencing in August throughout the remaining Forecast Period to maintain good standing.

5. **Vendor Deposits – post stay**
   Prepayments and security deposits on account for future services required due to expected withdrawal of credit terms from vendors.

6. **Property Taxes**
   For the purpose of the 504 CFF, it assumes payment of local property taxes are made to ensure no tax charges are primed against the land & building assets.

7. **Utilities**
   Represents the cost of gas, water and hydro.

8. **Insurance**
   Represents insurance expenses for policies held by Atlas Global Brands Inc. providing global coverages inclusive of GreenSeal.

9. **GST/HST**
   Represents sales taxes.

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

11. Factoring Settlements

The factoring settlements represent payments to the Monitor to be held in trust.

12. DIP Fees

Assumes $50,000 commission paid on the initial DIP draw. DIP interest charges are to be accumulated over the period and paid on maturity.

13. 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.

14. Beginning Balance

Represents the opening cash balance as of June 24, 2024.

15. DIP Draws

Represent DIP draws pursuant to the proposed DIP facility of $5.0 million.