



November 23, 2023

**Fourth Report of
KSV Restructuring Inc.
as CCAA Monitor of
Aleafia Health Inc., Emblem Corp.,
Emblem Cannabis Corporation,
Emblem Realty Ltd., Growwise
Health Limited., Canabo Medical
Corporation, Aleafia Inc., Aleafia
Farms Inc., Aleafia Brands Inc.,
Aleafia Retail Inc., 2672533 Ontario
Inc., and 2676063 Ontario Inc.**

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**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 ALEAFIA HEALTH INC., EMBLEM CORP., EMBLEM CANNABIS
CORPORATION, EMBLEM REALTY LTD., GROWWISE HEALTH LIMITED.,
CANABO MEDICAL CORPORATION, ALEAFIA INC., ALEAFIA FARMS INC.,
ALEAFIA BRANDS INC., ALEAFIA RETAIL INC., 2672533 ONTARIO INC.,
AND 2676063 ONTARIO INC.**

FOURTH REPORT OF KSV RESTRUCTURING INC.

NOVEMBER 23, 2023

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on July 25, 2023 (the "Initial Order"), Aleafia Health Inc. ("AHI" or "Aleafia Health"), Emblem Corp. ("Emblem Corp"), Emblem Cannabis Corporation ("Emblem Cannabis"), Emblem Realty Ltd., Growwise Health Limited ("Growwise"), Canabo Medical Corporation ("Canabo"), Aleafia Inc. ("Aleafia Sub"), Aleafia Farms Inc. ("Aleafia Farms"), Aleafia Brands Inc., Aleafia Retail Inc. ("Aleafia Retail"), 2672533 Ontario Inc. and 2676063 Ontario Inc. (collectively the "Applicants" and each an "Applicant") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and KSV Restructuring Inc. ("KSV") was appointed monitor of the Applicants (in such capacity, the "Monitor").
2. AHI, directly or indirectly, wholly-owns each of the other Applicants (each subsidiary of AHI individually a "Subsidiary" and together the "Subsidiaries", and collectively with AHI, the "Aleafia Group") and has a 9.9% interest in a non-Applicant affiliate, One Plant (Retail) Corp. which operates a chain of cannabis retail stores.
3. Pursuant to the terms of the Initial Order, among other things, the Court:
 - a) granted a stay of proceedings in favour of each of the Applicants to and including August 4, 2023 (the "Stay Period");
 - b) approved the terms of a debtor-in-possession credit facility (the "DIP Facility") in the maximum principal amount of \$2.27 million until the comeback motion on August 4, 2023 (the "Comeback Motion") to be made available to the Applicants pursuant to a DIP term sheet dated July 24, 2023 (as amended and restated, the "DIP Term Sheet") between certain of the Applicants, as borrowers and guarantors, and Red White & Bloom Brands Inc., as lender ("RWB", and in such capacity, the "DIP Lender"); and

- c) granted the following charges on the Applicants' current and future assets, property and undertaking (collectively, the "Property"):
 - i. a charge in the amount of \$500,000 to secure the fees and disbursements of the Applicants' legal counsel, as well as the fees and disbursements of the Monitor and its independent legal counsel (the "Administration Charge");
 - ii. a charge up to the maximum amount of the DIP Obligations (as defined in the Initial Order) at the relevant time in favour of the DIP Lender (the "DIP Lender's Charge"); and
 - iii. a charge in the amount of \$835,000 in favour of the directors and officers of the Applicants (the "Directors' Charge", and collectively with the DIP Lender's Charge and Administration Charge, the "Charges").
- 4. At the Comeback Motion, the Court issued an Amended and Restated Initial Order (the "ARIO"). Pursuant to the ARIO, among other things:
 - a) the Stay Period was extended from August 4, 2023, to and including September 1, 2023;
 - b) the Applicants were granted authority to borrow up to \$6.6 million under the DIP Facility from the original maximum amount of \$2.27 million;
 - c) the quantum of each of the priority Charges against the Property was increased as set out below:
 - i. the Administration Charge was increased to \$1.25 million;
 - ii. the DIP Lender's Charge was increased to the maximum amount of the DIP Obligations at the relevant time, which captures the Applicants' increased ability to borrow under the DIP Facility of up to \$6.6 million; and
 - iii. the Directors' Charge was increased to \$2.85 million; and
 - d) AHI was relieved from: (i) any obligations to call and hold its annual general meeting of shareholders; and (ii) certain other reporting obligations under applicable securities law.
- 5. On August 22, 2023, the Court issued an order, which, among other things:
 - a) approved a sale and investment solicitation process (the "SISP") for the purpose of soliciting interest in, and opportunities for the sale of, or investment in, the assets and business operations of the Applicants, to be conducted by the Monitor;
 - b) authorized the Applicants to conduct a standalone marketing process for their facility located at 378 South Service Rd., Grimsby, Ontario (the "Grimsby Facility") to supplement the broader SISP marketing process given that the Grimsby Facility could be viewed as redundant by parties interested in an "en bloc" transaction for the business and Property of the Aleafia Group;

- c) approved a Stalking Horse Asset Purchase and Subscription Agreement (as amended on October 24, 2023, the “Stalking Horse Agreement”) between AHI, Emblem Cannabis, Canabo, Aleafia Farms and Aleafia Retail, as sellers, and RWB and RWB (PV) Canada Inc., a wholly-owned subsidiary of RWB solely for the purpose of constituting the “Stalking Horse Bid” under the SISP (in such capacity, the “Purchaser”), as purchaser;
 - d) ordered that the “status quo” be preserved and maintained in respect of the Applicants’ Health Canada and cannabis Licences (as defined in the Stalking Horse Agreement) until the end of the Stay Period; and
 - e) extended the Stay Period to and including October 31, 2023.
6. The Stalking Horse Bid was determined to be the successful bid in the SISP and a bid from Siva Selven (for a company to be later incorporated) (the “Grimsby Purchaser”) was identified as the successful bid for the Grimsby Facility.
7. Accordingly, the Applicants made a motion to Court returnable on October 27, 2023, seeking, among other things:
- a) an Approval and Vesting Order (the “Grimsby AVO”), among other things:
 - i. approving a sale transaction (the “Grimsby Transaction”) for the Grimsby Facility as contemplated by an Agreement of Purchase and Sale dated September 29, 2023 between Aleafia Farms, as vendor, and, the Grimsby Purchaser, as purchaser; and
 - ii. authorizing a distribution to the DIP Lender from the Net Proceeds (as defined in the Grimsby AVO) of the Grimsby Transaction, as further detailed herein. The Court granted the Grimsby AVO on October 27, 2023;
 - b) an Approval and Reverse Vesting Order (the “RWB ARVO”), among other things, approving the sale transactions (the “RWB Transactions” and together with the Grimsby Transaction, the “Transactions”) contemplated by the Stalking Horse Agreement. The Court granted the RWB ARVO on October 30, 2023;
 - c) an Order (the “Ancillary Relief Order”), among other things:
 - i. authorizing and empowering the Monitor to exercise certain enhanced powers following delivery of the Monitor’s Closing Certificate (as defined in the RWB ARVO);
 - ii. approving a key employee retention plan for certain senior management personnel;
 - iii. approving an amendment to the DIP Term Sheet pursuant to which the maximum principal amount of the DIP Facility would be increased from \$6.6 million to \$8 million and granting a corresponding increase in the DIP Lender’s Charge;
 - iv. extending the Stay Period to and including November 30, 2023;
 - v. sealing the confidential appendices to the Monitor’s Third Report to Court dated October 25, 2023 (the “Third Report”); and

- vi. approving the Monitor's Third Report, and approving the activities described in the prior reports of the Monitor filed in connection with these CCAA proceedings, and the activities and conduct of the Monitor as reported therein. The Court granted the Ancillary Relief Order on October 30, 2023.
8. Additional background information regarding the Applicants and these proceedings is included in the Monitor's prior reports to Court, and accordingly, is not repeated herein. The Monitor's prior reports, together with all other court materials filed in these proceedings, are available on the Monitor's website at the following link: <https://www.ksvadvisory.com/experience/case/aleafia> (the "Case Website").

1.1 Purposes of this Report

1. The purposes of this report (the "Report") are to:
- a) provide an update on the status of the Transactions;
 - b) report on the Applicants' cash flow projection for the period November 20, 2023 to January 26, 2024 (the "Updated Cash Flow Forecast");
 - c) summarize and discuss the terms of an amendment to the DIP Term Sheet pursuant to which the DIP Facility is to change from a non-revolving facility to a revolving facility (the "Second DIP Amendment");
 - d) discuss the reasons why the Monitor believes that the Stay Period should be extended from November 30, 2023 to and including January 26, 2024; and
 - e) recommend that the Court issue an Order (the "Stay Extension Order"), among other things, approving the Second DIP Amendment and extending the Stay Period to and including January 26, 2024;

1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon the Applicants' unaudited financial information, books and records and discussions with the Applicants' management and legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this 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 diligence. The Monitor does not accept any responsibility to any third party for any reliance they may place on the Applicants' financial information herein.

3. An examination of the Updated Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this 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 expresses no opinion or other form of assurance on whether the Updated Cash Flow Forecast will be achieved.

1.3 Currency

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

2.0 Background

1. The Aleafia Group is a federally licensed Canadian cannabis organization which operates two primary lines of business, being: (i) cannabis production and resale; and (ii) virtual cannabis clinics. The Aleafia Group sells cannabis products primarily through three core sales channels: adult-use, medical and international. The Aleafia Group's corporate chart is provided at Exhibit "A" of the Affidavit of Patricia Symmes-Rizakos sworn July 24, 2023, in support of the CCAA application (the "Initial Symmes-Rizakos Affidavit").
2. Further information with respect to the Applicants' business and operations, and details of the events leading up to the granting of the Initial Order, can be found in the Court materials previously filed by the Applicants and the Monitor in these proceedings, which are available on the [Case Website](#).

3.0 Transactions

3.1 Grimsby Transaction

1. The Grimsby Transaction was detailed in Section 6 of the Third Report, and accordingly, those details are not repeated herein. The Grimsby Transaction closed on November 1, 2023.
2. In accordance with the provision of the Grimsby AVO, on November 3, 2023, the Monitor made a distribution in the amount of \$3,145,279.59 (the "DIP Repayment"), for and on behalf of the Applicants, to the DIP Lender as partial repayment of the DIP Obligations owing under the DIP Term Sheet, which amount represented the Net Proceeds from the Grimsby Transaction less a holdback of \$400,000.

3.2 RWB Transactions

1. The RWB Transactions were detailed in Section 5 of the Third Report, and accordingly, those details are not repeated herein.
2. The Stalking Horse Agreement contemplates a reverse vesting transaction, pursuant to which RWB, through the Purchaser, will acquire, directly or indirectly, all of the shares of Emblem Cannabis, Canabo, Aleafia Sub, Aleafia Farms, Growwise and Aleafia Retail and certain intellectual property assets of AHI as part of the transaction, and all Excluded Assets and Excluded Liabilities (each as defined in the Stalking Horse Agreement) will be transferred to one or more newly incorporated corporations (i.e., a "Residual Co.", which will become an Applicant in these CCAA proceedings). As

detailed in the Third Report, the primary reason for using the reverse vesting structure is to preserve each of the Health Canada and cannabis excise licenses (collectively, the “Licences”) held by each of Aleafia Farms and Emblem Cannabis, respectively.

3. As of the date of this Report, despite efforts from all parties involved, including the Applicants, RWB, the Purchaser and the Monitor, the RWB Transactions have not closed. The parties are working diligently to satisfy all conditions (some of which are outside the parties control) and close as soon as possible. The parties are optimistic that the necessary regulatory approvals will be received by December 15, 2023.
4. Accordingly, the parties to the Stalking Horse Agreement agreed to extend the “Outside Date” under the Stalking Horse Agreement from November 22, 2023 to December 15, 2023.
5. The parties to the Stalking Horse Agreement have also agreed to certain minor amendments to clarify certain provisions of the Stalking Horse Agreement, primarily relating to the Excluded Liabilities and the Implementation Steps (each as defined in the Stalking Horse Agreement). The Monitor understands that these amendments are not substantive and do not have a material affect on the economics of the RWB Transactions. A copy of the amended Stalking Horse Agreement is included as Exhibit “L” to the Affidavit of Patricia Symmes-Rizakos sworn November 21, 2023, in support of this motion (the “Symmes-Rizakos Affidavit”).

4.0 Cash Flow Forecast

1. A consolidated cash flow projection has been prepared for the Applicants from November 20, 2023 to January 26, 2024. The Cash Flow Forecast and the Applicants’ statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA are attached as Appendix “A”.
2. In accordance with the DIP Term Sheet, the Applicants have borrowed the maximum amount of \$8 million under the DIP Facility since the commencement of these CCAA proceedings. Additionally, the Monitor understands that, following the DIP Repayment, RWB advanced the Applicants an additional amount of \$411,000, beyond the maximum amount available under the DIP Facility, to fund a runoff insurance policy in favour of the directors and officers of the Applicants. The Monitor supported the funding of this amount in advance of the return of this motion on the basis that it was critical to the business and the Applicants’ directors and officers, relatively minor in amount and was advanced after the DIP Repayment. The Monitor is also of the view that funding this amount in advance of Court approval reduced the risk of operational disruption, which could have adversely affected the RWB Transactions and the Applicants’ stakeholders. As described in Section 5 below, the Second DIP Amendment proposes to convert the DIP Facility from a non-revolving facility to a revolving facility, thereby providing the Applicants with additional availability as a result of the DIP Repayment. As of the date of this Report, the Applicants have approximately \$1 million cash on hand.
3. The Updated Cash Flow Forecast assumes that once the RWB Transactions are closed, the only remaining costs that will be incurred by the Applicants will be professional fees in connection with the wind-down and termination of these CCAA proceedings.

4. Provided that the Court approves the Second DIP Amendment, it is anticipated that the Applicants will have sufficient liquidity to operate to the expected closing date of the RWB Transactions, which the Monitor understands that the parties expect to occur on or before December 15, 2023. Thereafter, the Administrative Expense Amount (as defined in the RWB RVO), being the \$400,000 holdback referenced above, will provide the Applicants with the requisite funding to operate through the Stay Period.
5. Based on the Monitor's review of the Updated Cash Flow Forecast, the assumptions appear reasonable. The Monitor's statutory report on the Updated Cash Flow Forecast is attached as Appendix "B".

5.0 Second DIP Amendment

1. As set out in the Updated Cash Flow Forecast, the Applicants will require additional funding, as there is currently no availability under the DIP Facility. Furthermore, the DIP Facility currently matures on November 30, 2023.
2. The Applicants, with the assistance of the Monitor, have negotiated an amendment to the DIP Facility to, among other things, change the nature of the existing DIP Facility from a non-revolving facility to a revolving facility and extend the outer threshold for the maturity date to December 15, 2023. This allows the Applicants to re-borrow up to \$2,734,279.59 under the DIP Facility, being the DIP Repayment (\$3,145,279.59) less the \$411,000 that was already re-advanced under the DIP Facility. A copy of the Second DIP Amendment is attached as Exhibit "K" to the Symmes-Rizakos Affidavit.
3. In addition, the DIP Lender has agreed to extend the maturity date of the DIP Facility to the earlier of: (i) December 15, 2023 and (ii) the closing date of the RWB Transactions.
4. The Monitor recommends that the Court issue an order approving the Second DIP Amendment, as:
 - a) without additional funding, the Applicants will not be able to operate their businesses, which may also jeopardize the closing of the RWB Transactions;
 - b) the terms of the DIP Facility are reasonable for the reasons set out in the Pre-Filing Report of KSV, in its capacity as proposed monitor, dated July 24, 2023; and
 - c) no stakeholder is expected to be prejudiced by the Second DIP Amendment.

6.0 Stay Extension

1. The Stay Period currently expires on November 30, 2023. The Applicants are requesting an extension of the Stay Period until January 26, 2024.

2. The Monitor supports the request for an extension of the Stay Period for the following reasons:
 - a) it will provide the Applicants and the Purchaser additional time to receive the required regulatory approvals with respect to the Licences, which are required in order to complete the RWB Transactions, and the Monitor understands that the parties expect to close the RWB Transactions on or before December 15, 2023;
 - b) notwithstanding that the RWB Transactions are expected to close on or before December 15, 2023, the Applicants will require additional time to attend to administrative matters, including the winding-up and/or dissolution of the Applicants and terminating these CCAA proceedings;
 - c) the Applicants have been acting, and continue to act, in good faith and with due diligence;
 - d) as of the date of this Report, the Monitor is not aware of any party opposed to an extension of the Stay Period; and
 - e) the Updated Cash Flow Forecast reflects that the Applicants are projected to have sufficient liquidity to fund their business until January 26, 2024 to the extent that the RWB Transactions close on or before December 15, 2023.

7.0 Next Steps in these CCAA Proceedings

1. The Monitor understands that once the RWB Transactions are complete, the Applicants intend to bring a motion to, among other things, seek authorization to assign AHI and the other remaining Applicants into bankruptcy, and terminate these CCAA proceedings as against the remaining Applicants, including Residual Co. (as defined in the RWB ARVO) and seek related relief.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make the order granting the above-noted relief sought by the Applicants.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS MONITOR OF
ALEAFIA HEALTH INC., EMBLEM CORP., EMBLEM CANNABIS CORPORATION,
EMBLEM REALTY LTD., GROWWISE HEALTH LIMITED., CANABO MEDICAL
CORPORATION, ALEAFIA INC., ALEAFIA FARMS INC., ALEAFIA BRANDS INC.,
ALEAFIA RETAIL INC., 2672533 ONTARIO INC., AND 2676063 ONTARIO INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

(Unaudited: \$CAD. Thousands)

DIP Loan Balance, excluding accrued interest

Aleafia Health Inc., Emblem Corp., Emblem Cannabis Corporation, Emblem Realty Ltd., Growwise Health Limited, Canabo Medical Corporation, Aleafia Inc., Aleafia Farms Inc., Aleafia Brands Inc., Aleafia Retail Inc., 2672533 Ontario Inc. and 2676063 Ontario Inc. (collectively the "Applicants")

Notes to Projected Statement of Cash Flow

For the Period Ending January 26, 2024

(Unaudited; \$CAD, Thousands)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of the Applicants for the period November 20, 2023 to January 26, 2024 (the "Period") in respect of their proceedings under the Companies' Creditors Arrangement Act ("CCAA"). The cash flow forecast assumes that the RWB Transactions close in the week ending December 15, 2023. (the "Closing")

Hypothetical Assumptions

2. Represents collections on sales of all cannabis related-products in the recreational channels.
3. Represents collections on sales of all cannabis related-products in the medical channels.

Probable Assumptions

4. Represents the monthly excise tax remittance paid in the normal course.
5. Represents the monthly harmonized sales tax paid in the normal course.
6. Represents cannabis and cannabis-related product purchases.
7. Includes payroll for all of the Applicants' employees. Hourly employees are paid bi-weekly and salaried employees are paid twice a month. The week ending December 15, 2023 includes a payment in accordance with the key employee retention plan approved in these CCAA proceedings.
8. Represents general operating costs, including sales and marketing, administrative costs, overhead costs and other sundry items.
9. The cash in the Applicants' operating accounts will be conveyed to the purchaser on Closing.
10. Includes the estimated payments to the Monitor, its counsel, the Applicants' counsel, counsel to the Applicants' directors and officers and the counsel to the DIP Lender. The amount in the week ending November 24, 2023 includes the return of an unused retainer.
11. Reflects projected DIP funding to be provided by the DIP Lender, pursuant to the terms of the DIP Term Sheet.
12. Represents an administrative expense holdback held in the Monitor's trust account, which will be used to fund the post-Closing professional fees of the Monitor and its counsel.

COURT FILE NO.: CV-23-00703350-00CL
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
ALEAFIA HEALTH INC., EMBLEM CORP., EMBLEM CANNABIS CORPORATION, EMBLEM
REALTY LTD., GROWWISE HEALTH LIMITED., CANABO MEDICAL CORPORATION,
ALEAFIA INC., ALEAFIA FARMS INC., ALEAFIA BRANDS INC., ALEAFIA RETAIL INC.,
2672533 ONTARIO INC., AND 2676063 ONTARIO INC.**

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)

The management of Aleafia Health Inc., Emblem Corp., Emblem Cannabis Corporation, Emblem Realty Ltd., Growwise Health Limited, Canabo Medical Corporation, Aleafia Inc., Aleafia Farms Inc., Aleafia Brands Inc., Aleafia Retail Inc., 2672533 Ontario Inc. and 2676063 Ontario Inc. (collectively, the "Applicants") have developed the assumptions and prepared the attached statement of projected cash flow as of the 23rd day November, 2023 for the period November 20, 2023 to January 26, 2024 ("Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.

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

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

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

Dated at Toronto, Ontario this 23rd day of November, 2023.

**ALEAFIA HEALTH INC., EMBLEM CORP., EMBLEM CANNABIS CORPORATION, EMBLEM
REALTY LTD., GROWWISE HEALTH LIMITED., CANABO MEDICAL CORPORATION, ALEAFIA
INC., ALEAFIA FARMS INC., ALEAFIA BRANDS INC., ALEAFIA RETAIL INC., 2672533
ONTARIO INC., AND 2676063 ONTARIO INC.**

DocuSigned by:

Tricia Symmes

Per: Patricia Symmes-Rizakos

Appendix “B”

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 ALEAFIA HEALTH INC., EMBLEM CORP., EMBLEM CANNABIS CORPORATION, EMBLEM REALTY LTD., GROWWISE HEALTH LIMITED., CANABO MEDICAL CORPORATION, ALEAFIA INC., ALEAFIA FARMS INC., ALEAFIA BRANDS INC., ALEAFIA RETAIL INC., 2672533 ONTARIO INC., AND 2676063 ONTARIO INC.

MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Aleafia Health Inc., Emblem Corp., Emblem Cannabis Corporation, Emblem Realty Ltd., Growwise Health Limited, Canabo Medical Corporation, Aleafia Inc., Aleafia Farms Inc., Aleafia Brands Inc., Aleafia Retail Inc., 2672533 Ontario Inc. and 2676063 Ontario Inc. (collectively, the "Applicants") as of the 23rd day November, 2023, consisting of a weekly projected cash flow statement for the period November 20, 2023 to January 26, 2024 ("Cash Flow") 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 Cash Flow.

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

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 Cash Flow;
- 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 Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow 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 Cash Flow 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 Cash Flow 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 Toronto this 23rd day of November, 2023.

A handwritten signature in blue ink that reads "KSV Restructuring Inc.".

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
ALEAFIA HEALTH INC., EMBLEM CORP., EMBLEM CANNABIS CORPORATION, EMBLEM
REALTY LTD., GROWWISE HEALTH LIMITED., CANABO MEDICAL CORPORATION,
ALEAFIA INC., ALEAFIA FARMS INC., ALEAFIA BRANDS INC., ALEAFIA RETAIL INC.,
2672533 ONTARIO INC., AND 2676063 ONTARIO INC.**