

**AlixPartners**



No. S-258584  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

AYR WELLNESS INC.

PETITIONER

**FOURTH REPORT OF ALIXPARTNERS RESTRUCTURING, INC.  
AS MONITOR**

**July 7, 2026**

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## 1.0 Introduction

1. Pursuant to an Order (the “**Initial Order**”) issued by the Supreme Court of British Columbia (the “**Court**”) on November 17, 2025 (the “**Filing Date**”), AYR Wellness Inc. (“**AYR**” or the “**Petitioner**”) was granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and AlixPartners Restructuring, Inc.<sup>1</sup> (“**Alix**”) was appointed monitor of the Petitioner (in such capacity, the “**Monitor**”).
2. AYR, directly or indirectly, wholly owns over 50 non-Petitioner subsidiaries and maintains partial ownership interests in five other non-Petitioner subsidiaries (together the “**Subsidiaries**”, and collectively with the Petitioner, the “**AYR Group**”). All Subsidiaries are based in the United States. None of the Subsidiaries are petitioners in these CCAA proceedings or subject to the relief in the Initial Order.
3. AYR, through its Subsidiaries in the U.S., distributes and markets cannabis products through both AYR Group owned retail stores and third-party licensed retailers. In response to persistent financial challenges, the AYR Group entered into a Restructuring Support Agreement (“**RSA**”) on July 30, 2025 with a group of senior noteholders (the “**Consenting Senior Noteholders**”).
4. The principal purpose of these CCAA proceedings is to provide a stabilized environment that allows the Petitioner to complete the orderly liquidation and wind-down of its remaining assets in Canada, while the Subsidiaries worked to complete a sale pursuant to *Sections 9-610 and 9-611* of the *Uniform Commercial Code (New York)* (the “**UCC Sale**”) and other state-level liquidation processes contemplated under the RSA.
5. Pursuant to the Initial Order, the Court, among other things:
  - a) granted a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Petitioner to and including November 27, 2025;
  - b) granted the following charges on all of the Petitioner’s current and future assets, property and undertaking (collectively, the “**Property**”):
    - i. up to a maximum of \$250,000 (the “**Administration Charge**”) to secure the fees and disbursements of the Petitioner’s legal counsel, the Monitor, and the Monitor’s independent legal counsel; and
    - ii. up to a maximum of \$500,000 (the “**Directors’ Charge**”) in favour of the directors and officers of the Petitioner (the “**Directors and Officers**”); and
  - c) approved the appointment of Blake Holzgrafe, Managing Director of Ankura Consulting Group LLC (“**Ankura**”), as Chief Restructuring Officer of the Petitioner (“**CRO**”).

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<sup>1</sup> Effective June 1, 2026, AlixPartners Restructuring, Inc. was substituted in place of KSV Restructuring Inc. as Court Officer in these proceedings pursuant to an order dated May 29, 2026 issued by the Supreme Court of British Columbia. The professionals involved in this mandate from the outset remain unchanged.

6. On November 25, 2025, the Court granted an Amended and Restated Initial Order (“**ARIO**”) which, among other things:
  - a) extended the Stay of Proceedings to and including February 20, 2026;
  - b) increased the quantum of the Administration Charge to \$500,000; and
  - c) increased the quantum of the Directors’ Charge to \$1,000,000.
7. On January 15, 2026, the Court granted two Orders. The first was a Stay Extension Order which extended the Stay of Proceedings up to and including June 19, 2026.
8. The second Order granted on January 15, 2026, was a D&O Claims Process Order (the “**Claims Process Order**”) approving the solicitation, determination and resolution of claims against the Directors and Officers (the “**Claims Process**”).
9. On June 15, 2026, the Court granted an Order which, among other things, extended the Stay of Proceedings to September 30, 2026.

#### 1.1 Purposes of this Fourth Report

1. The purposes of this report (the “**Fourth Report**”) are to:
  - a) summarize the activities of the Monitor and the Petitioner completed since the third report of the Monitor, dated June 10, 2026 (the “**Third Report**”) and the remaining activities to be completed in these CCAA proceedings;
  - b) summarize the fees and disbursements of the Monitor and of its legal counsel, Cassels, incurred during these CCAA proceedings and the estimated fees and disbursements remaining to complete these CCAA proceedings;
  - c) detail the Petitioner’s redundant lands located 1300 State Highway 21, Cedar Creek, Texas 78612 (Bastrop County) (the “**Texas Property**”) and the Monitor’s views on the Petitioner’s retention of Colliers International Austin, LLC (“**Colliers**”) as the listing agent pursuant to the terms of an Exclusive Right Agreement, dated June 16, 2026 (the “**Listing Agreement**”); and
  - d) recommend that the Court issue an order (the “**Distribution, Discharge and Termination Order**”) which, among other things:
    - i. approves the activities, fees and disbursements of the Monitor and its counsel;
    - ii. authorizes the Petitioner to enter into the Listing Agreement and commence marketing efforts to sell the Texas Property;

- iii. authorizes the Petitioner or a trustee in bankruptcy to distribute to Odyssey Trust Company, in its capacity as agent and collateral trustee (the “**Notes Agent**”) for the Senior Notes (defined below): (i) the net proceeds from the sale of the Texas Property; and (ii) any cash or proceeds held or received by the Petitioner from time to time that are not required to pay expenses incurred by the Petitioner in accordance with the ARIO and RSA;
- iv. discharges Alix in its capacity as the Monitor of the Petitioners effective upon the filing by the Monitor of an executed copy of a certificate in substantially the form attached as Schedule “A” to the Distribution, Discharge and Termination Order (the “**Monitor’s Certificate**”, and the time of filing thereof being the “**CCAA Termination Time**”);
- v. discharges Ankura and Blake Holzgrafe, in their capacity as CRO of the Petitioner effective at the CCAA Termination Time;
- vi. releases the AYR Released Parties and Released Parties from the AYR Released Claims and Released Claims, respectively (all as defined below); and
- vii. authorizing the CRO to assign the Petitioner into bankruptcy and empowering, but not obligating, the Monitor to act as trustee in bankruptcy in respect of the Petitioner.

## 1.2 Scope and Terms of Reference

1. In preparing this Fourth Report, the Monitor has relied upon the Petitioner’s unaudited financial information, books and records, information available in the public domain and discussions with Ankura and the Petitioner’s 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 Fourth 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 set out herein should perform its own diligence.

## 1.3 Currency

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

## 2.0 Background

1. The first affidavit of Blake Holzgrafe, sworn November 14, 2025, in support of the CCAA application (the “**First Holzgrafe Affidavit**”), provides, among other things, a comprehensive background concerning the AYR Group’s business, including reasons for the commencement of these CCAA proceedings. Accordingly, that background information is not repeated in this Fourth Report. Capitalized terms used and not defined in this Fourth Report have the meanings given to them in the pre-filing report of the Monitor, dated November 14, 2025 (the “**Pre-Filing Report**”), the first report of the Monitor dated November 21, 2025 (the “**First Report**”), the second report of the Monitor dated January 13, 2026 (the “**Second Report**”), the Third Report, the First Holzgrafe Affidavit, or the second affidavit of Blake Holzgrafe sworn July 2, 2026 (the “**Second Holzgrafe Affidavit**”), as applicable.
2. Court materials filed in these proceedings, including the First Holzgrafe Affidavit and the Monitor’s prior reports to Court issued in these proceedings, are available on the Monitor’s website at the following link: [www.ksvadvisory.com/experience/case/AYR](http://www.ksvadvisory.com/experience/case/AYR) (“**Case Website**”).

## 3.0 Status of these Proceedings

1. The principal purpose of these CCAA proceedings is to provide for a stabilized environment that allows the Petitioner to complete the orderly liquidation and wind down of its remaining assets in Canada, while the Subsidiaries conduct the UCC Sale and related state-level liquidation processes contemplated under the RSA.

### 3.1 UCC Sale Update

1. Further to the Third Report, the Petitioner has continued to oversee both the UCC Sale and the related state-level liquidation processes contemplated under the RSA. In connection with the UCC Sale and the anticipated closing of a master purchase agreement (“**MPA**”), AYR Group is undertaking a phased transfer of its core assets to Arboretum Bidco LLC (“**Arboretum**”) under the MPA, with assets being transferred on a state-by-state basis as the requisite regulatory approvals are obtained. At the time of this Fourth Report, the following milestones have been achieved or have been completed:
  - a) **April 10, 2026**: AYR Group’s operations and assets in Virginia were transferred to Arboretum;
  - b) **June 1, 2026**: Arboretum completed its acquisition of AYR Group’s assets in New Jersey, Florida and Nevada;
  - c) **June 21, 2026**: a designated subset of the AYR Group’s corporate employees were transferred to Arboretum;
  - d) **July 1, 2026**: the AYR Group’s corporate accounts payable were transferred to Arboretum;

- e) **Remaining Asset Transfers:** as described in the Third Report, while the timing of closing of the Ohio and Pennsylvania asset transfers is still uncertain, the Petitioner is of the view the remaining asset transfers (the “**Remaining Asset Transfers**”) will be completed prior to the expiry of the Stay of Proceedings on September 30, 2026. If the Remaining Asset Transfers are not completed by the expiry of the Stay of Proceedings, the Petitioner may seek a further extension of same;
- f) **Massachusetts Asset Transfers:** the MPA originally excluded the Massachusetts assets from the transfer to Arboretum. However this approach is currently being evaluated by the Petitioner in light of recent regulatory changes and a transfer of the Massachusetts assets may become a future UCC Sale milestone;
- g) **Transition Service Agreements:** fully negotiated and executed to assist with supporting the operations during the asset transition; and
- h) **Claims Process:** completed as more fully described in the Third Report.

## 3.2 Redundant Assets

### 3.2.1 Texas Property

1. A non-core, redundant asset requiring realization is the Petitioner’s Texas Property. The Texas Property was originally acquired in connection with the Petitioner’s then pending application for a conditional cannabis license in Texas. The Petitioner’s efforts to obtain this state level license were subsequently unsuccessful, leaving the Petitioner with no operational use for the Texas Property.
2. Accordingly, the Petitioner seeks to realize on the Texas Property in furtherance of the objectives of these CCAA proceedings. The proposed Distribution, Discharge and Termination Order would authorize Ankura, in its capacity as CRO of the Petitioner, to enter into the Listing Agreement.
3. If the Texas Property is not sold by the CCAA Termination Time, it is expected that the trustee in bankruptcy of the Petitioner will continue the marketing process, conduct a sale of the Texas Property and perform a distribution for the benefit of the Petitioner’s Senior Notes.
4. A copy of the Listing Agreement is attached as Exhibit “A” to the Second Holzgrafe Affidavit. The critical terms of the Listing Agreement and the Monitor’s recommendations are summarized below.

### 3.2.2 Listing Agreement

1. Pursuant to the Listing Agreement, Colliers was engaged by the CRO to list and diligently market the Texas Property.
2. Under the Listing Agreement, Colliers will be entitled to a commission of 6% of the gross sale price of the Texas Property (the “**Listing Fee**”). The Listing Agreement will continue for an initial term of 12 months.

3. The Receiver recommends that the Court approve the retention of Colliers under the Listing Agreement for the following reasons:
  - a) the Listing Fee payable to Colliers under the Listing Agreement, based on the Monitor's understanding, is consistent with market rates for an engagement of this nature in Texas and is therefore commercially reasonable;
  - b) Colliers is a leading international brokerage, with the requisite experience and expertise to market the Texas Property, including in-depth knowledge of the Texas real estate market; and
  - c) marketing and selling the Texas Property is a necessary activity that the Petitioner seeks to advance in furtherance of the purposes of these CCAA proceedings.

## 4.0 CCAA Termination

### 4.1 CCAA Termination and Release of Charges

1. Pursuant to the proposed Distribution, Discharge and Termination Order, the Monitor will be authorized to issue the Monitor's Certificate. At the CCAA Termination Time, it is contemplated that the CCAA proceedings and the Stay of Proceedings in favour of the Petitioner and its Subsidiaries will be terminated and Alix will be released and discharged as Monitor of the Petitioner.

### 4.2 Released Claims

1. The proposed Distribution, Discharge and Termination Order provides for a release, effective as of the CCAA Termination Time, of all claims against the Petitioner's current and former directors and officers, employees, advisors, legal counsel and agents (collectively, the "**AYR Released Parties**"), in respect of any claims of any kind whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence in respect of these CCAA proceedings (including any claim that could have been advanced pursuant to the Claims Process) (the "**AYR Released Claims**"). The proposed AYR Released Claims do not protect the AYR Released Parties from claims involving gross negligence, willful misconduct, non-releasable CCAA claims, or obligations that continue after the CCAA Termination Time under the RSA, MPA, or related implementation documents.
2. The Claims Process Order granted in these CCAA proceedings approved the solicitation, determination and resolution of claims against the Directors and Officers. Following the granting of the Claims Process Order, and prior to the claims bar date, the Monitor received eight (8) claims from claimants (the "**Filed Claims**"). Following adjudication, the Monitor disallowed all Filed Claims.

3. Further, the proposed Distribution, Discharge and Termination Order provides for a release, effective the CCAA Termination Time, of all claims against: (i) Ankura and its employees, advisors and agents; and (iii) the Monitor and its employees, legal counsel and agents (collectively, the “**Released Parties**”), in respect of any claims of any kind whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence in respect of these CCAA proceedings (including any claim that could have been advanced pursuant to the Claims Process) (the “**Released Claims**”, and together with the AYR Released Claims, the “**Releases**”). The proposed Released Claims do not include releases for the Released Parties from any claims arising out of gross negligence or willful misconduct on the part of any of the Released Parties.
4. With respect to the Releases, the Monitor notes that:
  - a) the AYR Released Parties and the Released Parties have facilitated and significantly contributed to these CCAA proceedings, including the wind-down activities of the Petitioner in compliance with the RSA and necessary state-level liquidations in the United States, which ultimately saw the Petitioner’s business continue while the Petitioner and the CRO focused on maximizing recoveries and ensuring compliance with all RSA milestones;
  - b) the Releases are appropriately limited in scope and tailored given the exclusions noted above;
  - c) there is precedent for the scope of the proposed Releases, particularly in instances where no party is opposing;
  - d) the Releases will efficiently provide certainty and finality of these CCAA proceedings ; and
  - e) the Monitor is supportive of the Releases.

## 5.0 Proposed Distribution

1. As discussed in the Pre-Filing Report, the Petitioner is principally indebted to a group of senior noteholders, who hold 15% senior secured notes due December 10, 2026 (the “**Senior Notes**”). As of November 2025, the Senior Notes were owed approximately USD\$293 million. As a result of completing a variety of state-level restructuring proceedings under the MPA, it is expected that approximately USD\$279 million of Senior Notes will be cancelled, leaving a balance of approximately US\$14 million owing to the senior noteholders, plus accrued interest.
2. The Senior Notes obligations are secured against substantially all of the Petitioner’s assets and represent the fulcrum creditor in these CCAA proceedings. As part of the Distribution, Discharge and Termination Order, the Petitioner is seeking an order that will authorize the Petitioner, or a trustee in bankruptcy, to distribute to the Notes Agent: (i) the net proceeds from the sale of the Texas Property; and (ii) any cash or proceeds held or received by the Petitioner from time to time that are not required to pay expenses incurred by the Petitioner in accordance with the ARIO and RSA.

3. At the time of this Fourth Report, the Monitor’s legal counsel was reviewing (such process, the “**Security Review**”) the Amended and Restated Security Agreement dated February 7, 2024 (the “**Notes Security Agreement**”) between AYR and AYR Wellness Holdings Inc., as obligors, and the Notes Agent, as collateral trustee, executed in connection with the Senior Notes. The purpose of the Security Review is to ascertain the validity and enforceability of the security interest granted pursuant to the Notes Security Agreement. The Monitor or its legal counsel will provide an update in respect of the outcome of the Security Review at or prior to the hearing of the application for the proposed Distribution, Discharge and Termination Order.

## **6.0 Activities**

### **6.1 Monitor’s Activities**

1. Since the Third Report, the Monitor has, among other things:
  - a) corresponded regularly with the Petitioner’s legal counsel, management team, Ankura and its own legal counsel regarding all aspects of these CCAA proceedings;
  - b) responded to calls and emails from creditors and other stakeholders;
  - c) reviewed and commented on the Petitioner’s materials filed in support of the relief detailed in Section 1.1;
  - d) reviewed the proposed Listing Agreement; and
  - e) prepared this Fourth Report.

### **6.2 Petitioner’s Activities**

1. Since the Third Report, the Petitioner has, among other things:
  - a) corresponded regularly with the Monitor’s legal counsel, management team, Ankura and its own legal counsel regarding all aspects of these CCAA proceedings;
  - b) responded to calls and emails from creditors and other stakeholders;
  - c) advanced efforts to complete the milestones contemplated in the UCC Sale;
  - d) negotiated the Listing Agreement; and
  - e) prepared the Petitioner’s materials filed in support of the relief detailed in Section 1.1.

### 6.3 Remaining Activities

1. As discussed in the Third Report, the remaining activities to be completed prior to the CCAA Termination Time by the Monitor and the Petitioner include (the “**Remaining Activities**”):
  - a) advancing efforts to liquidate any remaining, redundant assets, including the Texas Property; and
  - b) completing the Remaining Asset Transfers.
2. The Petitioner expects to complete these activities prior to the expiration of the current Stay of Proceedings. The Petitioner will re-evaluate whether an extension of the Stay of Proceedings is required or if termination of these CCAA proceedings can occur based on the status of the above Remaining Activities.

### 7.0 Fee Approval

1. The Petitioner is seeking approval of the Monitor’s activities, fees and disbursements, as well as the fees and disbursements of Cassels incurred since the commencement of these CCAA proceedings. Both the Monitor and Cassels have continued to maintain detailed records of their time and costs, and these fees and disbursements have been paid throughout these proceedings pursuant to the ARIO.
2. The activities of the Monitor have been described above and in the First Report, Second Report and Third Report. The total fees (inclusive of disbursements, but not taxes) of the Monitor from commencement of these CCAA proceedings to June 30, 2026 (the “**Alix Fee Approval Period**”) amount to \$259,301.38. The time spent and disbursements incurred by the Monitor for the Alix Fee Approval Period are more particularly described in the detailed invoices appended to the fee affidavit of Noah Goldstein (the “**Goldstein Affidavit**”).
3. The total fees (inclusive of disbursements, but not taxes) of Cassels from commencement of these CCAA proceedings to June 30, 2026 (the “**Cassels Fee Approval Period**”) amount to \$315,562.54. The time spent and disbursements incurred by Cassels for the Cassels Fee Approval Period are more particularly described in the detailed invoices appended to the fee affidavit of Vicki Tickle (the “**Tickle Affidavit**” and together with the Goldstein Affidavit, the “**Fee Affidavits**”).
4. The average hourly rate for the Monitor for the Alix Fee Approval Period was \$643. The average hourly rate for Cassels for the Cassels Fee Approval Period was \$1,273.
5. In addition to the fees and disbursements incurred by the Monitor and its counsel through June 30, 2026, the Monitor estimates that the further fees and disbursements of the Monitor and its counsel will be approximately \$160,000 through to CCAA Termination Time (on the assumption that the Stay of Proceedings are not extended beyond September 30, 2026).

6. The Monitor respectfully submits that its professional fees and disbursements, and those of its legal counsel, are: (i) commensurate with the work performed as outlined in this Fourth Report and prior reports of the Monitor; (ii) are commercially fair and reasonable; and (iii) were validly incurred in accordance with the provisions of the ARIO.

## 8.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the relief sought by the Petitioner detailed in Section 1.1.

\* \* \*

All of which is respectfully submitted,

*AlixPartners Restructuring, Inc.*

**ALIXPARTNERS RESTRUCTURING, INC.  
IN ITS CAPACITY AS MONITOR OF  
AYR WELLNESS INC.**