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ksv advisory inc.



COURT FILE
NUMBER B301-022847
25-3002847

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PROCEEDING IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF INFARM INDOOR URBAN FARMING CANADA
INC.

NB

C110667

DOCUMENT FIRST REPORT OF THE PROPOSAL TRUSTEE
NOVEMBER 8, 2023

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT
PROPOSAL TRUSTEE
KSV Restructuring Inc.
324-8th Avenue SW, Suite 1165
Calgary, AB
T2P 2Z2

Attention: David Sieradzki/Andrew Basi
Telephone: (416) 932-6030/ (587) 287-2670
Facsimile: (416) 932-6266
Email: dsieradzki@ksvadvisory.com/abasi@ksvadvisory.com

PROPOSAL TRUSTEE'S COUNSEL
Fasken Martineau DuMoulin LLP
3400 First Canadian Center, 350 7 Ave SW
Calgary, AB
T2P 3N9

Attention: Robyn Gurofsky/Anthony Mersich
Telephone: (403) 261-9469/(587)233 4124
Facsimile: (403) 261-5351
E-Mail: rgurofsky@fasken.com / amersich@fasken.com

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1.0 Introduction

1. This first report (this “**First Report**”) is filed by KSV Restructuring Inc. (“**KSV**”), in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) in connection with a Notice of Intention to Make a Proposal (“**NOI**”) filed on October 26, 2023 (the “**Filing Date**”) by Infarm Indoor Urban Farming Canada Inc. (the “**Company**” or “**Infarm**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). A copy of the certificate of filing issued by the Office of the Superintendent of Bankruptcy is attached hereto as **Appendix “A”**.
2. The principal purpose of the NOI proceedings (these “**Proceedings**”) is to provide for a stay of proceedings to allow the Company the time necessary to consider possible restructuring alternatives and provide a formal process for Infarm’s creditors and stakeholders to obtain information about the Company.

1.1 Purposes of this First Report

1. The purpose of this First Report is to provide information regarding:
 - a) the background on the Company, its financial position, and the reasons for the NOI filing;
 - b) the activities of the Proposal Trustee and the Company since the Filing Date; and
 - c) Infarm’s application for an Order (the “**First Extension Order**”):
 - i. extending the period in which Infarm can make a proposal to its creditors and the stay of proceedings up to and including January 9, 2024 (the “**Stay Extension**”); and
 - ii. granting a first ranking charge to not exceed \$250,000 (the “**Administration Charge**”) on all of Infarm’s present and after acquired assets, property and undertakings (collectively, the “**Property**”) as security for the fees and disbursements of the Proposal Trustee, the Proposal Trustee’s counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”), and the Company’s counsel, McMillan LLP (“**McMillan**”).

1.2 Scope and Terms of Reference

1. In preparing this First Report, the Proposal Trustee has relied upon the Company's unaudited financial information, books and records, information available in the public domain and discussions with the Company's management and legal counsel.
2. The Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this First Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Proposal Trustee 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 due diligence.
3. An examination of the Cash Flow Forecast (as defined herein) as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this First Report is based upon the Company's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Proposal Trustee expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.
4. This First Report should be read in conjunction with the materials filed by the Company, including the Affidavit of Amit Matthew Shores, a Director and President of Infarm, sworn November 2nd, 2023 (the "**Shores Affidavit**"), in support of the Company' application returnable November 10, 2023. Capitalized terms not defined in this First Report have the meanings ascribed to them in the Shores Affidavit.

1.3 Currency

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

1.4 Court Materials

1. Court materials filed in these proceedings are available on the Proposal Trustee's website at: www.ksvadvisory.com/experience/case/infarm (the "**Case Website**").

2.0 Background

1. Infarm is an Alberta corporation that was incorporated pursuant to the laws of British Columbia on August 2, 2019 and continued in Alberta on September 29, 2023.
2. The sole shareholder of Infarm is a German company, Infarm – Indoor Farming GmbH (“**Infarm GmbH**”). Infarm GmbH is currently subject to an Administration Order (the “**Administration Order**”) issued in the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List. The Administration Order was made on September 4, 2023. RSM UK Restructuring Advisory LLP was appointed as administrators of Infarm GmbH (the “**UK Proceedings**”). As disclosed in the Shores Affidavit, these UK Proceedings are ongoing.
3. Infarm is in the business of vertical farming. Vertical farming involves growing crops in vertically stacked layers. Infarm sells vertical farming equipment to allow indoor and outdoor farming and sells produce prepared using its equipment.
4. The Company previously operated in Calgary, Alberta and Vancouver, British Columbia, however, those operations have ceased. The current remaining operations of the Company are located in Hamilton, Ontario.
5. At present, there are approximately 30 employees in Hamilton.
6. Additional background information on the Company is included in the Shores Affidavit.

2.1 Financial Difficulties

1. Since its inception, Infarm has not reached profitability and has incurred losses. During the course of improving its former Calgary facility, the Company spent considerable amounts of money on the construction of leasehold improvements. The Proposal Trustee understands, based on discussions with representatives of the Company, that its ongoing losses and the liabilities related to the Guarantee (as defined herein) and the Calgary facility have contributed to the Company’s financial difficulties.

2. A summary of the Company's financial results for the fiscal years ended December 31, 2021 and 2022, and the 9 months ended September 30, 2023, is presented in the table below:

(\$000s)	9 months ended Sept 30, 2023 (unaudited)	Fiscal 2022 (unaudited)	Fiscal 2021 (unaudited)
Operating income	942	2,392	1,622
Cost of sales	(2,915)	(6,168)	(5,402)
Gross profit/(loss)	(1,973)	(3,776)	(3,780)
Operating expenses	(5,235)	(24,491)	(9,683)
Operating profit/(loss)	(7,208)	(28,267)	(13,463)
Non-operating income	2	28,971 ¹	-
Non-operating expenses	(11)	(180)	(23)
Net profit/(loss)	(7,217)	524	(13,486)

3. As reflected above, the Company has incurred significant and recurring losses and has not been profitable since its inception.

2.2 Assets

1. Based on the Company's most recent internal financial statements, a summary of the book value of the Company's assets as at September 30, 2023 is provided below:

Description	Book Value (\$000s)
Cash	28
Accounts receivable - trade	1,101
Other receivables	25,575
Inventory	835
Prepaid assets	1,557
Other assets	3,091
Property and equipment, net of depreciation	16,517
Total	48,708

¹ Amounts listed on the internal financial statements as amounts received from related Infarm European entities.

- Accounts receivable: comprised of amounts owing from the Company's customers.
 - Other receivables: comprised of net GST amounts and inter-company amounts from related Infarm European entities. Of this balance, approximately \$25 million is related to the inter-company receivables and these amounts are not viewed as collectible as a result of the UK Proceedings.
 - Inventory: comprised of growing inputs and grown produce. The book value represented above is obtained from the unaudited books and records of the Company.
 - Prepaid expenses and other assets: comprised of deposits and intercompany amounts due from Infarm GmbH.
 - Property and equipment, net of depreciation: comprised of leasehold improvements and amounts recorded as construction in progress related to the Company's facilities.
2. The Proposal Trustee is currently in discussions with the Company to review ownership of any other assets not recorded on the Company's balance sheet such as intellectual property and other intangible assets.

2.3 Liabilities

1. As at the Filing Date, the Company listed liabilities in excess of \$56.6 million that include, among other things:
- a) secured obligations of approximately \$48.7 million owing to Triplepoint Capital LLC ("**TPC**") pursuant to the Guarantee (as defined below);
 - b) secured obligations of approximately \$5.9 million claimed by Albari Holdings Ltd. related to the leasing of the Calgary facility; and
 - c) unsecured obligations totaling approximately \$2 million owing to various creditors.

Triplepoint Capital LLC

2. TPC is the Company's primary secured creditor. As at the Filing Date, Infarm owed TPC approximately \$48.7 million, pursuant to a continuing guaranty and security agreement dated April 29, 2020 (the "**Guarantee**"). As security for its obligations under the Guarantee, Infarm granted a continuing security interest and lien upon all of Infarm's right, title and interest in the Collateral (as defined in the Guarantee agreement). As disclosed in the Shoresh Affidavit, demands and a notice of intention to enforce security were issued on September 21, 2023.

Unsecured Creditors

3. As at the Filing Date, the Company's books and records list unsecured liabilities of approximately \$2 million, consisting of:
 - a) approximately \$776,000 listed on the books and records as due to ARCO/Murray International Construction – Toronto ULC ("**ARCO/Murray**") related to a construction contract on the Calgary premises; and
 - b) amounts owing to suppliers and service providers totaling approximately \$1,254,959.
4. ARCO/Murray obtained a summary judgement granted on October 2, 2023 against the Company in the amount of \$3.7 million and its subcontractors also registered builders' liens against the Calgary premises for alleged unpaid amounts for construction on the Calgary premises.
5. The Company's preliminary list of creditors was filed with its NOI statutory documents and is available on the Case Website.

3.0 Activities of the Company and Proposal Trustee

3.1 Activities of the Proposal Trustee

1. Since its appointment, the Proposal Trustee has performed the following key activities:
 - a) holding on-going meetings with management to discuss the restructuring process and duties of the Company;

- b) assisting the Company with their communications to both internal and external stakeholders;
- c) filing the necessary prescribed forms required pursuant to the BIA for the NOI;
- d) issuing the required notice pursuant to section 50.4(6) of the BIA to all known creditors of Infarm;
- e) monitoring the affairs of the business including reviewing financial information;
- f) assisting the Company in preparing the Cash Flow Statement;
- g) corresponding and holding numerous discussions with management and Infarm's restructuring counsel, McMillan;
- h) engaging Fasken as legal counsel to the Proposal Trustee;
- i) corresponding and holding numerous discussions with various stakeholders, and/or respective legal counsel to stakeholders, including creditors, suppliers, customers and others;
- j) maintaining the Case Website for these Proceedings; and
- k) preparing this First Report.

3.2 Activities of the Company

1. The Proposal Trustee has observed certain activities of the Company since filing the NOI as follows:
 - a) continuing the Company's efforts to improve the operations of the business;
 - b) communicating with various stakeholders and creditors regarding the Proceedings, in consultation with the Proposal Trustee;
 - c) corresponding with the Company's legal counsel, McMillan, and the Proposal Trustee;
 - d) establishing a process for reporting to the Proposal Trustee on a weekly basis in respect of the Company's receipts and disbursements;

- e) working with the Proposal Trustee in preparing the Cash Flow Statement; and
- f) working with their legal counsel and Proposal Trustee to prepare materials for the First Extension Order.

4.0 Cash Flow Forecast

1. Pursuant to the BIA, the Company is required to prepare a cash flow forecast for the stay extension period. The cash flow forecast (the “**Cash Flow Forecast**”) for the period ending January 28, 2024 (the “**Period**”), together with Management’s Report on the Cash-Flow Statement as required by subsection 50.4(2)(c) of the BIA, is collectively attached hereto as **Appendix “B”**.
2. The Cash Flow Forecast was prepared by the Company with the assistance of the Proposal Trustee. The Company’s receipts during the Period are comprised of accounts receivable collections. Projected disbursements are primarily for wages, salaries and benefits and other operating expenses, property taxes and professional fees. The Company is also forecasting capital expenditures of approximately \$428,000 over the Period related to capital expenditures for equipment at the Hamilton facility.
3. The Cash Flow Forecast indicates that approximately \$1.2 million will be required as interim financing over the Period. It is the Proposal Trustee’s understanding that TPC has verbally agreed to fund amounts up to \$2 million, however the Proposal Trustee has not reviewed any funding agreements between the Company and TPC.
4. Based on the Proposal Trustee’s review of the Cash Flow Forecast, there are no material assumptions which seem unreasonable. The Proposal Trustee’s Report on the Company’s Cash Flow Statement as required by subsection 50.4(2)(b) of the BIA is attached as **Appendix “C”**.
5. Due to the short period between the Initial Filing and the date of this Report, an actual cash flow compared to the Cash Flow Forecast has not been prepared. The Proposal Trustee understands that during week 1 of the Cash Flow Forecast, an unforecasted cash receipt of approximately \$450,000 related to a letter of credit was received by the Company which is expected to reduce the interim financing requirements over the short term. The Proposal Trustee will provide further information on the actual cash receipts in subsequent reports.

5.0 Court Ordered Charges

5.1 Administration Charge

1. Infarm is seeking an Administration Charge not to exceed \$250,000 as security for the fees and disbursements of the Proposal Trustee, its counsel, and the Company's counsel. An Administration Charge is a standard feature of restructuring proceedings and the quantum requested is appropriate, in the Proposal Trustee's view, given its previous history and experience with restructurings of similar size and complexity.
2. The Proposal Trustee understands that TPC has not expressed any opposition to the amount or priority of the Administration Charge. All other registered secured creditors, as well as Canada Revenue Agency, will be provided notice of the application for this charge.
3. The Proposal Trustee supports the request for the Administration Charge, pursuant to section 64.2(1) of the BIA, on the basis that it provides payment certainty for the professionals involved and allows them to effectively participate in the proceedings.

6.0 Company's Request for an Extension

1. The Company is seeking an extension of the time required to file a proposal from November 25, 2023 to January 9, 2024. The Proposal Trustee supports the extension request for the following reasons:
 - a) the Company is acting in good faith and with due diligence;
 - b) the extension will enhance the likelihood of the Company completing its restructuring;
 - c) the extension should not adversely affect or prejudice any group of creditors as the Company is projected to have funding to pay post-filing services and supplies in the amounts contemplated by the Cash Flow Forecast; and
 - d) it will provide the Company the additional time required to further advance the restructuring, which is in the interest of all stakeholders.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court grant the relief sought by the Company.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.,
in its capacity as trustee in the proposal of
Infarm Indoor Urban Farming Canada Inc.
and not in its personal capacity

Appendix “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3002847
Estate No. 25-3002847

In the Matter of the Notice of Intention to make a proposal of:

Infarm Indoor Urban Farming Canada Inc.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

October 26, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL

Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: October 27, 2023, 12:03

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada

Appendix “B”

Infarm Indoor Urban Farming Canada Inc.
Cash Flow Forecast
October 26, 2023 to January 28, 2024

		Forecast Week 1	Forecast Week 2	Forecast Week 3	Forecast Week 4	Forecast Week 5	Forecast Week 6	Forecast Week 7	Forecast Week 8	Forecast Week 9	Forecast Week 10	Forecast Week 11	Forecast Week 12	Forecast Week 13	
For the week ending, In CAD	Notes	5-Nov-23	12-Nov-23	19-Nov-23	26-Nov-23	3-Dec-23	10-Dec-23	17-Dec-23	24-Dec-23	31-Dec-23	7-Jan-24	14-Jan-24	21-Jan-24	28-Jan-23	Total
Opening cash balance	1	14,000	-	-	-	-	-	-	33,180	-	-	-	-	-	14,000
Cash Receipts															
Collection of outstanding receivables	2	54,717	52,914	59,315	17,624	17,624	17,624	17,624	17,624	17,624	17,624	17,624	17,624	17,624	343,188
Collection of new revenue	2	-	-	-	69,349	74,555	74,555	74,555	81,596	81,596	75,372	7,041	75,372	75,372	689,364
		54,717	52,914	59,315	86,973	92,180	92,180	92,180	99,220	99,220	92,996	24,665	92,996	92,996	1,032,552
Cash Disbursements															
<u>Operating Expenses</u>															
Wages, salaries, and benefits	3	-	57,600	-	57,600	-	57,600	-	57,600		57,600		57,600		345,600
Utilities	4	-	-	-	60,150	-	-	-	-	-	60,150	-	-	-	120,300
Other operating expenses	5	50,000	112,000	114,000	50,000	50,000	114,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	840,000
Property taxes	6	82,434	-	-	-	82,434	-	-	-	82,434	-	-	-	82,434	329,736
		132,434	169,600	114,000	167,750	132,434	171,600	50,000	107,600	132,434	167,750	50,000	107,600	132,434	1,635,636
<u>Other Disbursements</u>															
Anticipated capital expenditures	7	44,500	93,500	9,000	50,000	9,000	5,000	9,000	50,000	9,000	50,000	24,000	25,000	50,000	428,000
		44,500	93,500	9,000	50,000	9,000	5,000	9,000	50,000	9,000	50,000	24,000	25,000	50,000	428,000
<u>Debt Repayment</u>															
Interest & principal		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating disbursements		176,934	263,100	123,000	217,750	141,434	176,600	59,000	157,600	141,434	217,750	74,000	132,600	182,434	2,063,636
Professional Costs	8														
Company counsel legal fees		-	-				35,000				35,000			35,000	105,000
Trustee fees		-	-				50,000				35,000			35,000	120,000
Trustee's counsel fees		-	-				10,000				10,000			10,000	30,000
Total Professional Costs		-	-	-	-	-	95,000	-	-	-	80,000	-	-	80,000	255,000
Net cash flow		(122,217)	(210,186)	(63,685)	(130,777)	(49,254)	(179,420)	33,180	(58,380)	(42,214)	(204,754)	(49,335)	(39,604)	(169,438)	(1,286,084)
Interim financing															
Interim financing advances / (repayments)	9	108,217	210,186	63,685	130,777	49,254	179,420	-	25,200	42,214	204,754	49,335	39,604	169,438	1,272,084
Closing cash (operating line) balance		-	-	-	-	-	-	33,180	-	-	-	-	-	-	(0)

Management of Infarm Indoor Urban Farming Canada Inc. ("Infarm" or the "Company") has prepared this forecasted cash-flow statement (the "Cash Flow Forecast") based on probable and hypothetical assumptions detailed in Notes 1 to 9. The Cash Flow Forecast has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by each of the Companies on October 26, 2023. As such, readers are cautioned that it may not be appropriate for their purposes. The Cash Flow Forecast of the Companies is prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the Cash-flow Statement.

Dated at the City of New York in the State of New York, this 3rd day of November 2023.

Infarm Indoor Urban Farming Canada Inc.

Per: DocuSigned by:



620B8FCA27AC429...

Amit Matthew Shores
 President

KSV Restructuring Inc.

Per:



Andrew Basi, CPA, CA, CIRP, LIT
 Managing Director

Infarm Indoor Urban Farming Canada Inc.
Notes to the Cash Flow Forecast
October 26, 2023 to January 28, 2024

Note 1

The Company maintains a checking account with Royal Bank of Canada. The opening balance represents the funds in the account on October 26, 2023. Week 1 includes the period of October 26 to November 5

Note 2

The Company has one sole customer that accounts for all of the cash receipts. Cash receipts are forecasted on the basis of historical collections and anticipated sales.

Note 3

Wages, salaries, and benefits have been estimated based on the Companies' current staffing levels. The Company uses a 3rd party payroll provider.

Note 4

Utilities are based on current billing arrangements.

Note 5

Operating expenses include raw materials, seeds fertilizer, packaging, growing medium, transportation costs, custom fees for import and export, insurance and building operating costs. The amounts projected in this Cash Flow Forecast are based on recent historical results.

Note 6

The Company pays property tax on a monthly basis in addition to lease costs to the landlord.

Note 7

Capital expenditure is forecasted for the purchase of new machinery and upgrades to existing equipment.

Note 8

Professional costs are estimated based on the expectations of the professionals involved and are subject to change based on the on the issues that arise in the restructuring. The Company intends to make an application to the Court for the creation of a charge over the Company's assets as security for the professional costs of the NOI process.

Note 9

It is the Company's expectations that interim financing will be made by TriplePoint Capital LLC during the restructuring proceedings. The Company intends to make an application to the Court for the creation of a charge over the Company's assets as security for the advances made.

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3002847
Estate No. 25-3002847

FORM 30
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Infarm Indoor Urban Farming Canada Inc.
of the City of Calgary, in the Province of Ontario

The The Company of Infarm Indoor Urban Farming Canada Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 3rd day of November 2023, consisting of A signed pdf copy of a weekly cash flow statement for the period ending January 28, 2024..

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

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

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 3rd day of November 2023.

DocuSigned by:

Amit Shoreshe

620B8FCA27AC429...
Infarm Indoor Urban Farming Canada Inc.
Debtor

Amit Shoreshe Managing Director

Name and title of signing officer

Name and title of signing officer

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3002847
Estate No. 25-3002847

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Infarm Indoor Urban Farming Canada Inc.
of the City of Calgary, in the Province of Ontario

Purpose:

A signed pdf copy of a weekly cash flow statement for the period ending January 28, 2024.

Projection Notes:

A signed pdf copy of a weekly cash flow statement for the period ending January 28, 2024.

Assumptions:

A signed pdf copy of a weekly cash flow statement for the period ending January 28, 2024.

Dated at the City of Calgary in the Province of Alberta, this 3rd day of November 2023.

DocuSigned by:



9270F8AA-D2F0-4338-8455-497A1786A7B1
Infarm Indoor Urban Farming Canada Inc.

Appendix “C”

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3002847
Estate No. 25-3002847

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Infarm Indoor Urban Farming Canada Inc.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of Infarm Indoor Urban Farming Canada Inc., as of the 3rd day of November 2023, consisting of A signed pdf copy of a weekly cash flow statement for the period ending January 28, 2024., has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: ☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

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 projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 3rd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee
Per:



David Sieradzki - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
Calgary AB T2P 2Z2
Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3002847
Estate No. 25-3002847

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Infarm Indoor Urban Farming Canada Inc.
of the City of Calgary, in the Province of Alberta

Purpose:

A signed pdf copy of a weekly cash flow statement for the period ending January 28, 2024.

Projection Notes:

A signed pdf copy of a weekly cash flow statement for the period ending January 28, 2024.

Assumptions:

A signed pdf copy of a weekly cash flow statement for the period ending January 28, 2024.

Dated at the City of Calgary in the Province of Alberta, this 3rd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



David Sieradzki - Licensed Insolvency Trustee

1165, 324-8th Avenue S.W.

Calgary AB T2P 2Z2

Phone: (416) 932-6262 Fax: (416) 932-6266