

**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 TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC., AND HIGHLAND GROW INC.

Applicants

**AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn January 6, 2023)**

I, Michael Ruscetta, of the city of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the Chief Executive Officer of Trichome Financial Corp. ("**Trichome**"). I am also a director of Trichome, Trichome JWC Acquisition Corp. ("**TJAC**"), MYM Nutraceuticals Inc. ("**MYM**"), Trichome Retail Corp. ("**TRC**"), MYM International Brands Inc. ("**MYMB**") and Highland Grow Inc. (collectively with Trichome, TJAC, MYM, TRC and MYMB, the "**Applicants**"). As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. I swear this affidavit further to my affidavit sworn January 1, 2023 (the "**January 1 Affidavit**") in support of a motion by the Applicants for an order (the "**Stalking Horse and SISP**")

Approval Order") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*:

- (a) approving the Applicants' execution of the first amending agreement dated December 14, 2022 (the "**First DIP Amendment**") and the second amending agreement dated January 6, 2023 (the "**Second DIP Amendment**", and together with the First DIP Amendment, the "**DIP Amendments**") among the Applicants and the DIP Lender to the DIP Agreement, *nunc pro tunc*; and
- (b) granting an extension of the Stay of Proceedings to and including March 10, 2023 (the "**Stay Period**").

3. This affidavit should be read in conjunction with the January 1 Affidavit. All capitalized terms not otherwise defined herein have the meaning ascribed to them in the January 1 Affidavit. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

I. THE DIP AMENDMENTS

4. As discussed in the January 1 Affidavit, the Applicants, with the oversight of the Monitor, entered into the First DIP Amendment on December 14, 2022. Principally, the First DIP Amendment modifies the manner in which the Over-Advance Amount (as defined in the DIP Agreement) is calculated under the DIP Agreement for the period between the week ended December 9, 2022 and the week ended March 3, 2023 (the "**Borrowing Period**"). A copy of the First DIP Amendment is attached to the January 1 Affidavit as Exhibit "H".

5. Since the date of the January 1 Affidavit and as contemplated therein, the Applicants, with the oversight of the Monitor, have entered into the Second DIP Amendment to, among other things,

ensure that the term of the DIP Facility does not expire prior to the end of the Stay Period. A copy of the Second DIP Amendment is attached hereto as **Exhibit "A"**.

6. Among other things, the Second DIP Amendment:

- (a) modifies the manner in which the Over-Advance Amount is calculated under the DIP Agreement for the period between the week ended December 9, 2022 and the week ended March 10, 2023 (the "**Updated Borrowing Period**"); and
- (b) extends the term of the DIP Facility to the earlier of (a) 18 weeks from the date of the Initial Order (i.e. March 13, 2023) and (b) any other Termination Date (as defined in the DIP Agreement).

7. Together, the DIP Amendments have and will continue to ensure that the Applicants have sufficient liquidity to meet their working capital requirements during the Borrowing Period and the Updated Borrowing Period. Importantly, neither of the DIP Amendments alters the maximum principal amount of borrowings permitted under the DIP Facility and the Amended and Restated Initial Order nor do the DIP Amendments necessitate a change to the quantum of the DIP Lender's Charge.

8. It is a condition subsequent to the Second DIP Amendment that the Applicants seek approval of both the First DIP Amendment and the Second DIP Amendment by no later than January 13, 2023. The Monitor has advised that it is supportive of the DIP Amendments and believes that their terms are reasonable and appropriate in the circumstances.

II. THE EXTENSION OF THE STAY OF PROCEEDINGS

9. As noted in the January 1 Affidavit, the Stay of Proceedings under the Amended and Restated Initial Order will expire on February 3, 2023. Pursuant to the proposed Stalking Horse and SISP Approval Order, the Applicants are seeking to extend the Stay of Proceedings to and including March 10, 2023. The Applicants are forecast to have sufficient liquidity to fund their obligations and the costs of these CCAA proceedings through the end of the Stay Period, provided the DIP Amendments are approved.

10. I swear this affidavit in support of the Applicants' motion for the proposed Stalking Horse and SISP Approval Order and for no other or improper purpose.

SWORN REMOTELY by Michael Ruscetta stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Oakville, in the Province of Ontario, on January 6th, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Joshua Foster

JOSHUA FOSTER

Commissioner for Taking Affidavits
(or as may be)

MICHAEL RUSCETTA

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
6TH DAY OF JANUARY, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)

SECOND AMENDING AGREEMENT

This Second Amending Agreement (this “**Second Amendment**”) is entered into on January 6, 2023.

WHEREAS Trichome JWC Acquisition Corp., Trichome Financial Corp., Highland Grow Inc., MYM International Brands Inc., MYM Nutraceuticals Inc., and Trichome Retail Corp. (collectively, the “**Credit Parties**” and each, a “**Credit Party**”) commenced proceedings pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”);

AND WHEREAS on November 7, 2022, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an initial order in respect of the Credit Parties under the CCAA, which was subsequently amended and restated on November 17, 2022 (the “**Initial Order**”);

AND WHEREAS the Initial Order, among other things, approved the DIP Facility Agreement, dated November 6, 2022 (the “**DIP Facility Agreement**”) entered into by the Credit Parties and Cortland Credit Lending Corporation, as agent for and on behalf of itself and the lenders party thereto from time to time (the “**Agent**”);

AND WHEREAS the DIP Facility Agreement was amended pursuant to a First Amending Agreement dated December 14, 2022 (the “**First Amendment**”), entered into by the Credit Parties and the Agent;

AND WHEREAS the parties hereto wish to amend the DIP Facility Agreement on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Interpretation. Capitalized terms used and not otherwise defined in this Second Amendment shall have the meanings assigned to them in the DIP Facility Agreement.

2. Amendments to the DIP Facility Agreement. The DIP Facility Agreement is hereby amended by:

(a) deleting the chart in section 3.1 and replacing it with the chart contained on Schedule “A” hereto; and

(b) deleting the first paragraph of section 3.18 and replacing it with the following:

The term of the DIP Facility will be the earlier of (a) 18 weeks from the date of the Initial Order (the “**Maturity Date**”), and (b) any other Termination Date.

3. Conditions Precedent. The effectiveness of this Second Amendment is subject to the Agent having received a copy of this Second Amendment duly executed and delivered by each of the Credit Parties.

4. Covenant regarding Court Approval. The Credit Parties covenant and agree in favour of the Agent that they shall obtain Court Approval of the First Amendment and this Second Amendment by no later than January 13, 2023.

5. Limited Effect. Except as expressly provided herein, all of the terms and provisions of the DIP Facility Agreement, all security documents and guarantees delivered by the Credit Parties in connection with the Credit Agreement, the DIP Charge and all related documentation are and shall remain in full force and effect and are hereby ratified and confirmed by the Credit Parties. The amendments contained herein shall not be construed as a waiver or amendment of any other provision of the DIP Facility Agreement or for any purpose except as expressly set forth herein or a consent to any further or future action on the part of the Credit Parties that would require the waiver or consent of the Agent.

6. Representations and Warranties. The Credit Parties hereby represent and warrant to the Agent that:

(a) The Credit Parties are duly incorporated, organized and validly existing and in good standing under the laws of the jurisdiction of their incorporation.

(b) The Credit Parties have taken all necessary corporate action to authorize the execution, delivery and performance of this Second Amendment.

(c) This Second Amendment has been duly authorized, executed and delivered by the Credit Parties and constitutes a legal, valid and binding obligation of the Credit Parties enforceable in accordance with its terms.

(d) Each of the representations and warranties made by the Credit Parties herein or in or pursuant to the DIP Facility Agreement is true and correct on and as of the date hereof.

(e) No Event of Default has occurred or will result from this Second Amendment.

7. Confirmation of Security. The Borrowers hereby confirm that the DIP Charge is and continues to be in full force and effect as continuing security for the payment and performance by them of all of their present and future indebtedness, liabilities and obligations to the Agent now or hereafter arising under the DIP Facility Agreement, and the DIP Charge is enforceable against them by the Agent in accordance with the terms of the DIP Facility Agreement and the Initial Order.

8. Confirmation of Guarantees. Each Credit Party that has delivered a guarantee in favour of the Agent pursuant to the Credit Agreement hereby confirms that such guarantee remains in full force and effect as a continuing guarantee of the such Credit Party's present and future indebtedness, liabilities and obligations to the Agent under the DIP Facility Agreement, the DIP Charge, the Credit Agreement, the Security Agreements (as defined in the Credit Agreement), and related documentation (all as more particularly set forth in such guarantee), enforceable against such Credit Party in accordance with its terms and the Initial Order.

9. Successors and Assigns. This Second Amendment is binding upon and shall enure to the benefit of the parties and each of their respective permitted successors and permitted assigns.

10. Governing Law. All matters arising out of or relating to this Second Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in that Province and the parties hereby attorn to the exclusive jurisdiction of the Court.

11. Counterparts and Electronic Execution. This Second Amendment may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Second Amendment delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Second Amendment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date first above written.

Agent:

CORTLAND CREDIT LENDING CORPORATION

DocuSigned by:
Sean Register
376FEFF2EF6A46C...
Sean Register

CEO

TRICHOME JWC ACQUISITION CORP.

Per:

Name: Michael Ruscetta

Title: Director

TRICHOME FINANCIAL CORP.

Per:

Name: Michael Ruscetta

Title: Director

HIGHLAND GROW INC.

Per:

Name: Michael Ruscetta

Title: Director

MYM INTERNATIONAL BRANDS INC.

Per:

Name: Michael Ruscetta

Title: Director

MYM NUTRACEUTICALS INC.

Per:

Name: Michael Ruscetta

Title: Director

TRICHOME RETAIL CORP.

Per:

Name: Michael Ruscetta

Title: Director

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date first above written.

Agent:

CORTLAND CREDIT LENDING CORPORATION

TRICHOME JWC ACQUISITION CORP.

Per: 

Name: Michael Ruscetta

Title: Director

TRICHOME FINANCIAL CORP.

Per: 

Name: Michael Ruscetta

Title: Director

HIGHLAND GROW INC.

Per: 

Name: Michael Ruscetta

Title: Director

MYM INTERNATIONAL BRANDS INC.

Per: 

Name: Michael Ruscetta

Title: Director

MYM NUTRACEUTICALS INC.

Per: 

Name: Michael Ruscetta

Title: Director

TRICHOME RETAIL CORP.

Per: 

Name: Michael Ruscetta

Title: Director

SCHEDULE "A"

Week Ended	Max over-advance
9-Dec-2022	(2,399,069)
16-Dec-2022	(2,628,918)
23-Dec-2022	(2,582,595)
30-Dec-2022	(2,554,643)
6-Jan-2023	(2,257,967)
13-Jan-2023	(2,577,025)
20-Jan-2023	(1,813,624)
27-Jan-2023	(2,488,156)
3-Feb-2023	(2,464,093)
10-Feb-2023	(982,479)
17-Feb-2023	(1,967,628)
24-Feb-2023	(1,331,183)
03-Mar-2023	(1,430,446)
10-Mar-2023	(1,430,446)

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

Court File No.: CV-22-00689857-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC., AND HIGHLAND GROW INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn January 6, 2023)**

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