

**Court File No. CV-23-00698826-00CL.**

**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  
PLANT-BASED INVESTMENT CORP.**

**FIRST REPORT OF MSI SPERGEL INC.  
IN ITS CAPACITY AS MONITOR OF  
PLANT-BASED INVESTMENT CORP.**

**May 9, 2023**

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I. **INTRODUCTION**

1. Pursuant to an order (the “**Initial Order**”) of Madam Justice Conway of the Superior Court of Ontario made on May 1, 2023, Plant-Based Investment Corp. (“**PBIC**” or the “**Company**”) was granted protection under the *Companies Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the “**CCAA**”) and msi Spergel inc., (“**Spergel**”) was appointed as monitor (the “**Monitor**”). A copy of the Initial Order is attached hereto as **Appendix “A”**.
2. The Monitor engaged Gowling WLG (Canada) LLP as its independent legal counsel (the “**Monitor’s Counsel**”).
3. Pursuant to the terms of the Initial Order, the Court:
  - a) granted a stay of proceedings until May 11, 2023; and
  - b) granted a charge:
    - i) in the amount of \$100,000 (the “**Administration Charge**”) on the Company’s current and future property, assets, and undertakings (the “**Property**”) to secure the fees and disbursements of the Company’s Counsel as well as the fees and disbursements of the Monitor and the Monitor’s Counsel; and
    - ii) in the amount of \$200,000 (the “**DIP Lender’s Charge**”) to finance the Company’s working capital requirements and other general corporate purposes and capital expenditures.
4. The Initial Order also set May 11, 2023, as the date for the comeback motion in these proceedings (the “**Comeback Hearing**”).

## II. PURPOSE OF THIS REPORT AND DISCLAIMER

5. The purpose of this first report (the “**First Report**”) is to provide the Court with information pertaining to:
  - a) the activities of the Monitor since the date of the Initial Order;
  - b) background information regarding the Company and these proceedings;
  - c) the Company’s activities since the commencement of these proceedings;
  - d) the Monitor’s comments and report on the Company’s updated cash flow projection for the period through to and including June 9, 2023 (the “**Updated Cash Flow Projection**”);
  - e) the Company’s request for an extension of the Stay Period from May 11, 2023, up to and including June 9, 2023, to allow for the development of a Sale and Investment Solicitation Process (“**SISP**”)
  - f) the Company’s request for an increase in the amount of the Administration Charge from \$100,000 to \$250,000; and
  - g) the Company’s request for an increase in the DIP Lender’s Charge from \$200,000 to \$500,000.

### Restrictions and Disclaimer

6. In preparing this First Report, the Monitor has relied upon certain information provided to it by the Company’s management. The Monitor has not performed an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Public Enterprises or International Financial

reporting Standards. Accordingly, the Monitor expresses no opinion or other form of assurance with respect to such information.

7. The cash flow forecast and projections in this First Report relate to future events and are based on management's assumptions, which may not remain valid throughout the period of the projections. Consequently, they cannot be relied upon to the same extent as information derived from the reviewed accounts for completed accounting periods. For these reasons, the Monitor expresses no opinion as to how closely the actual cash flows achieved will correspond to the projection. Any party wishing to place reliance on the financial information should perform its own due diligence.
8. This First Report does not take into account the future impact of COVID-19 on any projection or other assumptions presented by the Company to the Monitor. The potential for unknown ramifications on consumers, supply chains, commercial counterparties (both direct and indirect to the Company's operations) and future decisions that may need to be made as a result of the continuing COVID-19 situation means that the projections and other assumptions may be significantly impacted by COVID-19. The full impact of COVID-19, both on the Company's business and in general, is not capable of being qualitatively or quantitatively assessed at this time and the Monitor has not endeavoured to do so in this First Report.
9. Parties using this First Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes and consequently it should not be used for any other purpose.
10. This First Report should be read in conjunction with the Affidavit of Paul Crath sworn April 28, 2023 (the "**Initial Affidavit**") and the Affidavit of Paul Crath sworn May 8, 2023 (the "**May 8<sup>th</sup> Affidavit**") as such Affidavits contain additional background information concerning the Company, and its structure, business

activities and shareholders as well as its intentions as the Company goes through these CCAA proceedings.

11. Court materials in these proceedings can be found on Spergel's Case Website at <https://www.spergelcorporate.ca/engagements/plant-based-investments-inc/>.

12. All references to dollars in this First Report are in Canadian currency unless otherwise noted.

### III. **BACKGROUND AND APPOINTMENT**

13. PBIC is a public corporation incorporated under the *Canada Business Corporations Act* (the "**CBCA**") that is listed on the Canadian Securities Exchange (the "**Exchange**") under the symbol "PBIC". Its head office is located in Toronto, Ontario.

14. PBIC is an investment corporation that invests in public and private companies that derive a portion of their revenues, earnings or intellectual property-based value from products, equipment, services and/or technologies related to plant-based industries, including the cannabis plant family and its various compounds, the fungi industry (including medicinal, functional and psychedelics), super-foods and/or organic ingredients industries in addition to investing in specialty retail locations, functional medicine and wellness-based clinics and treatment centers (the "**Plant-Based Industry**").

15. PBIC makes debt and equity investments in the Plant-Based Industry. It makes active and passive investments in public companies, and also invests in private companies.

16. PBIC has no funded debt. Its liabilities, which exceed \$5,000,000, are materially comprised of accounts payable and contingent litigation claims.

17. As a result of the secular downturn in the market for Plant-Based Investments, PBIC is facing a liquidity crisis. Its total asset value has declined \$25,000,000 over the past four years. PBIC is effectively out of cash and its remaining investments are rapidly losing value because PBIC cannot financially support them.
18. On or around March 6, 2023, the Ontario Securities Commission issued a “failure to file” cease trade order (“**CTO**”) against PBIC, for failure to make timely filing of audited annual financial statements for its 2022 fiscal year. PBIC cannot raise equity investment until the CTO is lifted.
19. The Company is of the view that there is significant value in certain of PBIC’s long-term, illiquid investments that must be protected through these proceedings and potential value in its status as a publicly traded investment company with material tax attributes.

#### IV. **DEVELOPMENT OF A SALES PROCESS**

20. As of the date of this First Report, the Company has not fully developed a Sales and Investment Solicitation Process (“SISP”) but continues to work with its professional advisors in an effort to do so.
21. There are a number of factors that the Monitor strongly believes must be given considerable weight in the design and development of an appropriate SISP. These factors include, but are not limited to the following:
  - a) the complex nature of the Company’s assets;
  - b) the challenges attributable to valuation of the Company’s assets;
  - c) the tax implications of any sale of the Company’s assets; and
  - d) the potential for the retention of the Company’s status as a listed investment company with unique corporate objects, both of which may in fact have significant value.



22. The Monitor is of the view that the extension sought by the Company is reasonable in the circumstances and should provide the Company with enough time to formulate an appropriate SISP and seek the Court's approval thereof at a subsequent hearing. The Monitor believes that an appropriately formulated SISP will benefit all stakeholders and that the proposed extension is favourable to that end.
23. The Company has set a return date of May 26, 2023, to seek approval of a SISP and to seek a further extension of the Stay Period to permit the implementation of the approved SISP.

V. **CASH FLOW FORECAST**

24. The Company has prepared the Updated Cash Flow Projection for the period up to and including June 11, 2023. The Updated Cash Flow Projection and the Company's statutory report on the Updated Cash Flow Projection pursuant to Section 10(2)(b) of the CCAA are attached hereto as **Appendices "B" and "C"**, respectively.
25. The Monitor has reviewed the Updated Cash Flow Projection, which indicates no revenue. The cash flow requirement of the Company is anticipated to be covered by the DIP financing previously approved by the Court.
26. Based on the Monitor's review of the Updated Cash Flow Projection, there are no material assumptions which seem unreasonable. The Monitor's statutory report on the cash flow is attached hereto as **Appendix "D"**.

VI. **SECURED CREDITORS**

27. Canada Revenue Agency (“**CRA**”) has a priority charge over the assets of the Company for unpaid source deductions in the approximate amount of \$37,000. This claim will be retired from the proceeds of the sale of Company assets as part of any approved SISP.

VII. **LITIGATION**

28. Canadabis Capital Inc., in a Statement of Claim issued July 12, 2022 (the “**Canadabis Claim**”) seeks, among other things, \$11,000,000 in damages from PBIC for the loss of value of Canadabis’ market capitalization. PBIC has defended the Canadabis Claim, and counterclaimed. Pleadings closed on or around October 17, 2022. Discovery has not occurred.
29. On November 7, 2022, a Complaint was issued against PBIC bearing Nevada District Court Case No. A-22-860709-C (the “**Pearson Claim**”). The Plaintiff, Jamie L. Pearson, seeks approximately US\$344,000 in damages from PBIC, and one of its investee corporations Bhang Corporation, related to the termination of her employment. Depositions are in the process of being scheduled.
30. On March 23, 2023, a Notice of Claim bearing Provincial Court of British Columbia (Small Claims Court) Registry File Number 2372994 (the “**Proactive Claim**”) was issued against PBIC. The Plaintiff, Proactive Investors North America, seeks \$29,411.12 from PBIC in satisfaction of an alleged unpaid service fee. PBIC has not yet filed a defence.
31. Additional claims have been asserted, although not yet crystallized by Court proceedings as follows:

- a) Naeem Hukkawala, has demanded payment of the sum of \$75,000.00 supported by a purported settlement agreement;
- b) Sean Conacher, a former Director has demanded payment of the sum of \$1,155,000 for unpaid wages and severance;
- c) Michael Johnston, a former Officer, and Director has demanded payment of the sum of \$350,000 for unpaid wages and severance; and
- d) Graham Simmonds, a former Officer, and Director has demanded payment of the sum of \$105,000 for unpaid wages and severance.

VIII. **STAY EXTENSION**

- 32. The stay of proceedings currently expires on May 11, 2023. The Company is requesting an extension of the Stay Period until June 9, 2023.
- 33. The Monitor supports the request for an extension of the Stay Period for the following reasons:
  - a) the Company is acting in good faith and with due diligence;
  - b) no creditor will be prejudiced if the extension is granted;
  - c) it will allow the Company time to develop a suitable SISP; and
  - d) as of the date of this First Report, neither the Company nor the Monitor is aware of any party opposed to an extension.

IX. **ACTIVITIES OF THE COMPANY AND THE MONITOR**

*Overview of Activities since the date of the Initial Order*

34. Since the date of the Initial Order, the Company has among other things:
- a) communicated with the Monitor and the Company's counsel on various matters in connection with the CCAA proceedings; and
  - b) worked with the Monitor to prepare the Updated Cash Flow Projection
35. In addition to assisting the Company and its legal counsel in connection with the above, the Monitor has been engaged in, among other things:
- a) establishing and maintaining the Case Website where material documents pertaining to these proceedings are available in electronic form;
  - b) preparing statutory notices and filing same with the Office of the Superintendent of Bankruptcy;
  - c) preparing and mailing the Notice to Creditors of the CCAA proceeding;
  - d) publishing the Notice to Creditors in The Globe and Mail newspaper national edition;
  - e) assisting the Company with preparing the Updated Cash Flow Projection;
  - f) meeting and corresponding with the Company and its legal counsel regarding the development of a SISF and various other matters in connection with the Company's business and its CCAA proceedings;

- g) responding to calls and enquiries from creditors and other stakeholders in connection with the CCAA proceedings;
- h) responding to calls and enquiries from parties with a potential interest in acquiring the assets of the Company; and
- i) reviewing materials filed with the Court by the Company in respect of the CCAA proceedings and this Motion with respect to the requested stay extension.

x. **CONCLUSION AND RECOMMENDATIONS**

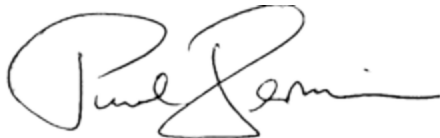
36. Based upon the foregoing, the Monitor respectively recommends that this Court issue an order for the relief being sought by the Company, including but not limited to the extension of the Stay Period up to and including June 9, 2023.

Dated at Toronto, this 9<sup>th</sup> day of May 2023.

**msi Spergel inc.**

solely in its capacity as the CCAA Monitor  
of Plant-Based Investment Corp., and not in its  
personal or corporate capacities

Per:



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Philip H. Gennis, JD., CIRP., LIT



Court File No. CV-23-00698826-00CL

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

THE HONOURABLE ) MONDAY, THE 1<sup>ST</sup>  
JUSTICE CONWAY ) DAY OF MAY, 2023

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  
PLANT-BASED INVESTMENT CORP.**

**INITIAL ORDER**

**THIS APPLICATION**, made by Plant-Based Investment Corp. ("**PBIC**" or the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by Zoom video conference.

**ON READING** the affidavit of Paul Crath sworn April 28, 2023, and the Exhibits thereto (the "**Initial Crath Affidavit**"), and on hearing the submissions of counsel to PBIC, and on reading the consent of msi Spergel inc. to act as the proposed monitor of the Applicant (in such capacity, the "**Monitor**").

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

**DEFINITIONS**

2. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms have the meanings given to them in the Initial Crath Affidavit.

## APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

## POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the “**Business**”) and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, contractors, advisors, consultants, agents, experts, accountants, counsel, and such other persons (collectively, “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicant shall be entitled to continue to use the central cash management system currently in place as described in the Initial Crath Affidavit or, with the consent of the Monitor, replace it with another central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order to the extent that such expenses are incurred and payable by the Applicant:

- (a) all outstanding and future wages, salaries, employee benefits (including, without limitation, employee medical, dental, registered retirement savings plan contributions and similar benefit plans or arrangements), vacation pay and expenses, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing and servicing expenses; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;



- (b) all goods and services taxes, harmonized sales taxes or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business, or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **STAY OF PROCEEDINGS**

11. **THIS COURT ORDERS** that until and including May 11, 2023, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicant or the Monitor, or their respective employees, directors, advisors, officers, and representatives acting in such capacities, or affecting the Business or the Property, except with the prior written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant, or its employees, directors, officers or representatives acting in such capacities, or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

## **NO EXERCISE OF RIGHTS OR REMEDIES**

12. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits, or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

## **NO INTERFERENCE WITH RIGHTS**

13. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform, any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the Applicant, except with the prior written consent of the Applicant and the Monitor, or leave of this Court. Without limiting the foregoing, no right, option, remedy, and/or exemption in favour of the Applicant shall be or shall be deemed to be negated, suspended, waived, and/or terminated as a result of this Order.

## **CONTINUATION OF SERVICES**

14. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply or license of goods and/or services, including without limitation all computer software, communication and other data services, banking services, payroll and benefit services, insurance, transportation services, utility, or other services to the Business of the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply or license of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case, that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

## **NON-DEROGATION OF RIGHTS**

15. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property, or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

16. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or

arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

### **APPOINTMENT OF MONITOR**

17. **THIS COURT ORDERS** that msi Spergel inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, partners, members, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

18. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination to the DIP Lender and its counsel of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis as agreed to by the DIP Lender;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of

the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;

- (f) be at liberty to engage independent legal counsel, advisors or such other persons, or utilize the services of employees of its affiliates, as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

19. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

20. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (collectively, the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

21. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have

any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

22. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

23. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to, the date of this Order by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Applicant on a weekly basis.

24. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

#### **ADMINISTRATION CHARGE**

25. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicant shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for their professional fees and disbursements incurred at their standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 32 and 34 hereof.

## **DIP FINANCING**

26. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility the (“**DIP Loan**”) from 1000492681 Ontario Inc. (the “**DIP Lender**”) in order to finance the Applicant’s working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$200,000 advanced to the Applicant under the DIP Loan (plus interest, fees and expenses in accordance with the DIP Term Sheet (as defined below)) unless permitted by further Order of this Court.

27. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicant and the DIP Lender dated as of April 27, 2023 (the “**DIP Term Sheet**”), filed.

28. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, with the DIP Term Sheet, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

29. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 32 and 34 hereof.

30. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;

- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon five (5) business days' written notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the DIP Term Sheet, Definitive Documents, and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

31. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

32. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

- (a) First - Administration Charge (to the maximum amount of \$100,000); and
- (b) Second – DIP Lender's Charge.

33. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge, the Administration Charge, or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including



as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34. **THIS COURT ORDERS** that each of the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

35. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor, the DIP Lender, and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

36. **THIS COURT ORDERS** that the Administration Charge, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery, or performance of the Definitive Documents; and
- (i) the payments made by the Applicant pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

37. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

#### **SERVICE AND NOTICE**

38. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA (the "**CCAA Notice**"); and (b) within five (5) days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, or cause to be sent, in the prescribed manner (including by electronic message to the e-mail addresses as last shown in the Applicant's books and records), a notice to all known creditors having a claim against the Applicant of more than \$1,000, and (iii) prepare a list showing the names and addresses of such creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available, unless otherwise ordered by the Court.

39. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca//scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to

Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a case website shall be established in accordance with the Protocol with the following URL: [www.spergelcorporate.ca/engagements](http://www.spergelcorporate.ca/engagements) (the “**Monitor’s Website**”).

40. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol or the CCAA and the regulations thereunder is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or electronic message to the Applicant’s creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown in the books and records of the Applicant and that any such service or distribution shall be deemed to be received on the earlier of (a) the date of forwarding thereof, if sent by electronic message on or prior to 5:00 p.m. Eastern Standard/Daylight Time (or on the next business day following the date of forwarding thereof if sent on a non-business day); (b) the next business day following the date of forwarding thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. Eastern Standard/Daylight Time; or (c) on the third (3<sup>rd</sup>) business day following the date of forwarding thereof, if sent by ordinary mail.

41. **THIS COURT ORDERS** that the Applicant and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message to the Applicant’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

### **COMEBACK HEARING**

42. **THIS COURT ORDERS** that the comeback motion in these CCAA proceedings shall be heard on or before May 11, 2023 (the “**Comeback Hearing**”).

## GENERAL

43. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order, or apply for advice and directions in the discharge of their respective powers and duties hereunder.

44. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

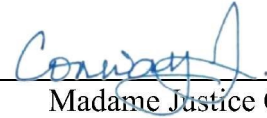
45. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory, and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

46. **THIS COURT ORDERS** that the Applicant and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory, or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

47. **THIS COURT ORDERS** that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order at the Comeback Hearing on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

48. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

49. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.



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Madame Justice Conway

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 PLANT-BASED INVESTMENT CORP. *et al.*

Court File No CV-23-00698826-00CL

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

Proceedings commenced at Toronto

**INITIAL ORDER**

**MILLER THOMSON LLP**  
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Toronto ON M5H 3S1

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Lawyers for the Applicant

**In the Matter of a Plan of Compromise or Arrangement of Plant-Based Investment Corp. ("PBIC")**

Cash Flow Statement (in CAD dollars)

For the period from May 9, 2023 to and including June 9, 2023

(CAD)	Week Ending	Notes	Extended Stay Period					Total
			Week 1 8-May	Week 2 15-May	Week 3 22-May	Week 4 29-May	Week 5 5-Jun	
<b>Investment Receipts</b>								
Expected Proceeds from Sales of Investments			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Investment Receipts</b>			-	-	-	-	-	-
<b>Operating Disbursements</b>								
Paul Crath (CEO)			-	-	5,000	-	-	5,000
Graham Simmonds (Chairman)			-	-	5,000	-	-	5,000
Accounting Services (Consultant)			-	5,650	5,650	-	-	11,300
Financial Analyst (Consultant)			-	-	5,650	-	-	5,650
Real Estate Advisor (Consultant)			-	5,650	-	-	-	5,650
<b>Investment Disbursements</b>								
209820 Highway 26 Lease (Blue Mountains, ON, CA)		4(a)	-	-	-	6,000	-	6,000
483 Driggs Avenue Lease (Brookklyn, NY, USA) [USD \$24,000]		4(b)	-	-	-	33,000	-	33,000
13095223 Canada Corp. d/b/a Cali-Brands LOC Advance		4(c)	10,000	-	-	5,000	-	15,000
Bhang Inc. LOC Advance		4(d)	-	75,000	-	-	-	75,000
Erthecode Inc. Loan Advance [USD \$30,000]		4(e)	-	40,500	-	-	-	40,500
New York JV Loan Advance [USD \$37,000]		4(f)	-	50,000	-	-	-	50,000
Bodie Phytoceuticals Ltd. Loan Advance		4(g)	-	75,000	-	-	-	75,000
<b>Total Disbursements</b>			10,000	251,800	21,300	44,000	-	327,100
<b>Net Change in Cash from Operations</b>			(10,000)	(251,800)	(21,300)	(44,000)	-	(327,100)
<b>Net Change in Cash</b>			(10,000)	(251,800)	(21,300)	(44,000)	-	(327,100)
<b>Opening Cash</b>			39,299	29,299	77,499	56,199	12,199	39,299
<b>DIP Financing</b>			-	300,000	-	-	-	300,000
<b>Ending Cash</b>			\$ 29,299	\$ 77,499	\$ 56,199	\$ 12,199	\$ 12,199	\$ 12,199

Dated 9th day of May, 2023

**PLANT-BASED INVESTMENT CORP.**

Per:



Name: Paul Crath

Title: Chief Executive Officer

Report on Cash-Flow Statement by the Insolvent Company  
(Paragraph 10(2) of the CCAA)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, C. C-36, AS AMENDED  
(the "**CCAA**")

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
PLANT-BASED INVESTMENT CORP.

The management of Plant-Based Investment Corp. (the "**Company**" or "**PBIC**") has developed the assumptions and prepared the attached statement of projected cash flow as of the 9<sup>th</sup> day of May, 2023 consisting of statement of Projected Cash Flow for the period from May 9, 2023 to June 9, 2023 (the "**Cash Flow**").

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 Company 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 Toronto in the Province of Ontario, this 9<sup>th</sup> day of May, 2023.

**Plant-Based Investment Corp.**

Per:



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Paul Crath, CEO



Report on Cash-Flow Statement by the Insolvent Company  
(Paragraph 10(2) of the CCAA)

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  
PLANT-BASED INVESTMENT CORP.

**Purpose**

1. The Purpose of the projection is to present the Cash Flow of the Company in accordance with the requirements of Section 10(2)(b) of the CCAA.

**Projections Notes**

2. The Cash Flow should be read in conjunction with the Monitor's Report on the Cash Flow Statement and the assumptions below.

**Assumptions**

3. The main purpose of the Cash Flow is to provide the stakeholders with information with respect to the cash requirements of the Company until a sale and investment solicitation program can be finalized. It is anticipated that the Company will require an additional DIP financing of \$300,000 to fund the cash flow requirements of the Company during the stay extension sought by the Company.
4. The Company is forecasting to make the following material disbursements with respect to its investments:
  - a) \$6,000 with respect to rent payable on a head lease for investment purposes located at 209820 Highway 26 in the Town of Blue Mountains in Ontario. The background with respect to this payment has been provided in detail in paragraph 56 of the affidavit of Paul Crath sworn on April 28, 2023.
  - b) \$33,000 with respect to rent payable on an investment lease by 483 Driggs Avenue Inc., a 100% subsidiary of PBIC and PBIC is a guarantor for this obligation. The background with respect to this payment has been provided in detail in paragraph 30 of the affidavit of Paul Crath sworn on April 28, 2023.

- c) \$15,000 with respect to an advance under a line of credit to 13095223 Canada Corp. d/b/a Cali-Brands. The background with respect to this payment has been provided in detail in paragraph 74 of the affidavit of Paul Crath sworn on April 28, 2023.
- d) \$75,000 with respect to an advance under a line of credit to Bhang Inc (“**Bhang**”). Bhang is the largest portfolio company of PBIC. PBIC has invested approximately \$6.5 million in Bhang through various equity subscription, share-swaps, debt conversions and debt settlements. Bhang is a public company currently under a cease trade order (“**CTO**”) effective May 5, 2023, due to unpaid audit fees which effectively limit the ability to complete a financing. The advance is required to fund certain critical expenses of Bhang including a loan settlement to avoid disruption of Bhang’s business and audit fees so the audit can be completed and the CTO can be lifted.
- e) \$40,500 with respect to a loan advance to Erthecode Inc. (“**Erthecode**”). PBIC has been the primary funder of Erthecode (both equity and debt) and owns 29% of the equity of Erthecode and will acquire additional equity upon completion of a loan conversion. The loan advance will be utilized by Erthecode to pay critical payments including marketing firm/website manager arrears, inventory and supply chain costs and support and certain critical SG&A payment that are in arrears. The loan is expected to be advanced as a secured loan.
- f) \$50,000 with respect to loan advances through PBIC’s wholly owned subsidiary, PBIC USA Corp., to the proposed joint venture investment with Golden Record NY Inc. through an advance agreement while documentation and project details are finalized. The group have operated a successful event business in New York and have built an e-commerce platform which includes database of potential affluent lifestyle and music event customers for product ordering software for wellness and lifestyle products (in addition to other selected products, intended to feature Bodie and Erthecode products from the PBIC portfolio). JV terms are currently being renegotiated but it is anticipated that the project will be focused on e-commerce and PBIC will have a significant ownership of the project and advances made will have priority repayment rights.
- g) \$75,000 with respect to a loan advance to Bodie Phytoceauticals Ltd. (“**Bodie**”). PBIC has been the primary funder of Bodie for payment of inventory/supply chain support for Nexe Innovations compostable coffee cup order, certain critical SG&A in arrears related to the project and

outstanding rent for the US facility. PBIC currently owns 20% of the equity of Bodie and has certain debt outstanding and capitalization of expenses that are to be converted and under discussion that we expect will result in PBIC owning a minimum of 30% of Bodie.

Dated at the City of Toronto in the Province of Ontario, this 9<sup>th</sup> day of May, 2023.

**Plant-Based Investment Corp.**

Per:

A handwritten signature in black ink, appearing to read "Paul Crath", written over a horizontal line.

Paul Crath, CEO

Report on Cash-Flow Statement by the Monitor  
(Paragraph 23(1)(b) of the CCAA)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, C. C-36, AS AMENDED  
(the "**CCAA**")

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
PLANT-BASED INVESTMENT CORP.

The attached statement of projected cash flows of Plant-Based Investment Corp. (the "**Company**" or "**PBIC**") as of the 9<sup>th</sup> day of May 2023, consisting of statement of Projected Cash Flow for the period from May 9, 2023 to June 9, 2023 (the "**Cash Flow**") has been prepared by the management of the Company 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 Company. 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 Cash Flow. We have also reviewed the support provided by management for the probable assumptions and 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 respect,

- 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 are not suitably supported and consistent with the plans of the Company 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 even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurances 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.

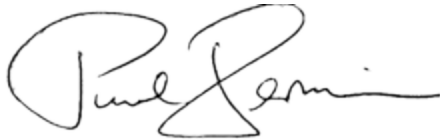
The Cash Flow has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 9<sup>th</sup> day of May, 2023.

**msi Spergel inc**

solely in its capacity as the CCAA Monitor  
of Plant-Based Investment Corp. and not in  
its personal or corporate capacity

Per:

A handwritten signature in black ink, appearing to read "Philip H. Gennis". The signature is written in a cursive style with a large initial "P" and "H".

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Philip H. Gennis, JD., CIRP, LIT

Report on Cash-Flow Statement by the Monitor  
(Paragraph 23(1)(b) of the CCAA)

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  
PLANT-BASED INVESTMENT CORP.

**Purpose**

1. The Purpose of the projection is to present the Cash Flow of the Company in accordance with the requirements of Section 10(2)(b) of the CCAA.

**Projections Notes**

2. The Cash Flow should be read in conjunction with the Monitor's Report on the Cash Flow Statement and the assumptions below.

**Assumptions**

3. The main purpose of the Cash Flow is to provide the stakeholders with information with respect to the cash requirements of the Company until a sale and investment solicitation program can be finalized. It is anticipated that the Company will require an additional DIP financing of \$300,000 to fund the cash flow requirements of the Company during the stay extension sought by the Company.
4. The Company is forecasting to make the following material disbursements with respect to its investments:
  - a. \$6,000 with respect to rent payable on a head lease for investment purposes located at 209820 Highway 26 in the Town of Blue Mountains in Ontario. The background with respect to this payment has been provided in detail in paragraph 56 of the affidavit of Paul Crath sworn on April 28, 2023.
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outstanding rent for the US facility. PBIC currently owns 20% of the equity of Bodie and has certain debt outstanding and capitalization of expenses that are to be converted and under discussion that we expect will result in PBIC owning a minimum of 30% of Bodie.

Dated at the City of Toronto in the Province of Ontario, this 9<sup>th</sup> day of May, 2023.

**msi Spergel inc**

solely in its capacity as the CCAA Monitor  
of Plant-Based Investment Corp. and not in  
its personal or corporate capacity

Per:

A handwritten signature in black ink, appearing to read "Philip Gennis", written over a horizontal line.

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Philip H. Gennis, JD., CIRP, LIT