

## AMALGAMATION AGREEMENT

THIS AGREEMENT is dated effective December 8, 2021.

### AMONG:

**PINEAPPLE EXPRESS DELIVERY INC.**  
("Pineapple")

- and -

**WORLD CLASS EXTRACTIONS INC.**  
("WCE")

- and -

**HIFYRE INC.**  
**ON BEHALF OF A COMPANY TO BE INCORPORATED**  
("Newco")

- and -

**HIFYRE INC.**  
("Hifyre")

- and -

**FIRE & FLOWER HOLDINGS CORP.**  
("FFHC")

### RECITALS:

- A. FFHC is a reporting issuer in the Provinces and Territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, North West Territories, Yukon, and Nunavut, and its common shares are listed on the Exchange (as defined herein);
- B. Hifyre is a wholly-owned subsidiary of FFHC and Newco will be a corporation formed under the CBCA (as defined herein) and a wholly-owned subsidiary of Hifyre;
- C. Pineapple is a privately held corporation formed under the CBCA;
- D. Hifyre desires to acquire all of the issued and outstanding common shares of Pineapple by means of an amalgamation involving FFHC, Hifyre, Pineapple and Newco; and
- E. WCE desires to provide certain representations, warranties and covenants in respect of the Voting Trust Agreements (as defined herein).

**THEREFORE** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties, the Parties hereby covenant and agree as follows:

**ARTICLE 1  
DEFINITIONS, INTERPRETATION AND SCHEDULES**

**1.1 Definitions**

In this Agreement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

- (a) **"Actions"** means any actions, proceedings, investigations, suits, hearings, claims, complaints, grievances, Orders or Notices;
- (b) **"Affiliate"** of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly, and "control" and any derivation thereof means the possession, directly or indirectly, of the power to direct the management and policies/business or affairs of a Person whether through the ownership of voting securities or otherwise;
- (c) **"Agreement"** means this amalgamation agreement, together with the schedules attached hereto and the Pineapple Disclosure Schedule, as amended, amended and restated, or supplemented from time to time;
- (d) **"Amalco"** means the company resulting from the amalgamation of Pineapple and Newco pursuant to the Amalgamation;
- (e) **"Amalco Shares"** means the common shares in the capital of Amalco;
- (f) **"Amalgamation"** means the amalgamation of Pineapple and Newco pursuant to section 181 of the CBCA on the terms and conditions set forth in this Agreement, subject to any amendment thereto in accordance herewith;
- (g) **"Applicable Law"** means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Entity, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, including all applicable corporate and securities laws, regulations and rules, all policies thereunder and rules of applicable stock exchanges;
- (h) **"Articles of Amalgamation"** means after an amalgamation has been adopted under section 183 or approved under section 184 of the CBCA, the Articles of Amalgamation that will be filed with the Director under subsection 185(1) of the CBCA in order to give effect to the Amalgamation, in the form to be mutually agreed upon by the Parties, each acting reasonably;
- (i) **"Articles of Amalco"** means the articles of Amalco in the form to be mutually agreed to by the Parties, each acting reasonably;
- (j) **"Benefit Plan"** means all compensation, wages, commissions, bonus, deferred compensation, incentive compensation, share purchase, share appreciation, share option, phantom option, severance or termination pay, holiday pay, vacation pay, hospitalization or other medical, health and welfare benefits, life or other insurance, dental, eye care, sick pay, long-term or short-term disability, critical illness, out-of-country coverage, disability, salary continuation, supplemental unemployment benefits, profit-sharing, mortgage assistance, employee loan, employee discount, employee assistance, counselling,

accidental death and dismemberment, retirement plan, golden parachute plan, pension, retirement or supplemental retirement benefit plans, arrangements or agreements, including defined benefit or defined contribution pension plans and group registered retirement savings plans and all other similar benefit plans, arrangements or agreements, whether oral or written, formal or informal, funded or unfunded, including all policies with respect to holidays, sick leave, paid time off, short-term disability, long-term disability, vacations, expense reimbursements and automobile allowances and rights to company-provided automobiles, that are administered, sponsored or maintained or contributed to or required to be contributed to, by Pineapple for the benefit of its Employees, or beneficiaries of any of them, whether or not insured and whether or not subject to any Applicable Law, including those listed or described in the Disclosure Schedules, except that the term "Benefit Plan" does not include any statutory plan with which Pineapple is required to comply, including the Canada Pension Plan or any plan administered under applicable provincial health tax, workers' compensation, workers' safety and insurance or employment insurance legislation;

- (k) **"Books and Records"** means books and records of Pineapple and the Business, including financial, corporate, operations and sales books, records, books of account, sales and purchase records, lists of suppliers and customers, formulae, business reports, plans and projections and all other documents, surveys, plans, files, records, assessments, correspondence and other data and information, financial or otherwise, including all data, information and databases stored on computer-related or other electronic media;
- (l) **"Business"** means the business carried on by Pineapple, prior to the Effective Date, being the business of specialized technology-based logistics and delivery services for the legal cannabis industry;
- (m) **"Business Day"** means a day, other than a Saturday or Sunday, or statutory holiday in the Province of Ontario or a day on which all banking institutions in the Province of Ontario are authorized or obligated by Applicable Law to be closed;
- (n) **"CBCA"** means the *Canada Business Corporations Act*;
- (o) **"Closing"** means the completion of the transactions contemplated by this Agreement;
- (p) **"Collective Agreement"** means any collective agreement, letter of understanding, letter of intent or other written communication with any trade union or employee association that governs the terms and conditions of employment of any Employees and imposes obligations on Pineapple;
- (q) **"Commodity Taxes"** means all commodity taxes, including all sales, retail, use, goods and services, harmonized, value added, excise and similar taxes imposed, levied or assessed by any Governmental Authority, excluding penalties and interest, other than taxes in the nature of a tax on income or capital;
- (r) **"Completion Deadline"** means the latest date by which the transactions contemplated by this Agreement are to be completed, which date shall be March 31, 2022 or such later date as the Parties may mutually agree;
- (s) **"Debt Repayment, Adjustment and Earn-Out Agreement"** means the debt repayment, adjustment and earn-out agreement dated as of the Effective Date, among Hifyre, FFHC, Pineapple and the Shareholder Nominees (as defined in Schedule A), the material terms of which are set forth in Schedule A, attached, and are to be included in such agreement;
- (t) **"Director"** means the Director that is appointed under section 260 of the CBCA;

- (u) **"Dissent Rights"** means the rights of dissent of Pineapple Shareholders in respect of the Pineapple Resolution under section 190 of the CBCA;
- (v) **"Dissenting Shareholder"** means a Pineapple Shareholder who, in connection with the Pineapple Resolution, has sent to Pineapple a written objection and a demand for payment within the time limits and in the manner prescribed by section 190 of the CBCA with respect to such Pineapple Shareholder's Pineapple Common Shares;
- (w) **"Effective Date"** means the date shown on the certificate of amalgamation issued by the Director in respect of the Amalgamation in accordance with section 188(4) of the CBCA;
- (x) **"Effective Time"** means the earliest moment on the Effective Date or such other time on the Effective Date as the Parties hereto may agree in writing;
- (y) **"Employees"** means the individuals employed by Pineapple in connection with the Business;
- (z) **"Encumbrance"** means any hypothec, priority, security interest, mortgage, deed of trust, pledge, assignment, charge, deposit arrangement, garnishment, trust (actual, constructive or deemed and whether intended as a security or collection device or not), encumbrance, lease intended as a security device, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property;
- (aa) **"Environmental Laws"** means all Applicable Law relating to the protection of the environment, including those pertaining to (i) the protection, preservation or remediation of the natural environment (the air, land, surface water or ground water), (ii) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation and (iii) Hazardous Substances, including reporting, permitting or rehabilitating in connection with any presence or release of Hazardous Substances;
- (bb) **"Escrow Agent"** means Computershare Investor Services Inc. or such other Person as may be agreed upon in writing by the Parties;
- (cc) **"Exchange"** means, at the relevant time, the stock exchange on which the FFHC Shares are then traded;
- (dd) **"Exchange Approval"** has the meaning set forth in Section 5.3(c);
- (ee) **"Existing Financial Statements"** has the meaning set forth in Section 3.1(h);
- (ff) **"FFHC"** has the meaning set forth on the first page of this Agreement;
- (gg) **"FFHC Shares"** means the authorized common shares in the capital of FFHC as presently constituted;
- (hh) **"Former Pineapple Shareholders"** means the holders of Pineapple Common Shares immediately prior to the Effective Time;
- (ii) **"Governmental Authority"** or **"Governmental Entity"** means any applicable:
  - (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;
  - (ii) subdivision, agent, commission, board or authority of any of the foregoing;

- (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
  - (iv) stock exchange, including the Exchange;
  - (v) and any entity or Person having jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government and, in relation to any Party, includes any arbitral tribunal, arbitrator or mediator, whether acting pursuant to Applicable Law or pursuant to a contract or arrangement to which such Party is a party;
- (jj) **“Haywood Engagement Letter”** means the engagement letter dated March 22, 2021, as amended on June 18, 2021, between Pineapple and Haywood Securities Inc.
- (kk) **“Hazardous Substances”** means any substance or material that is prohibited, controlled or otherwise regulated by any Governmental Authority pursuant to Applicable Law relating to the protection of the environment such as contaminants, pollutants, toxic substances, dangerous goods, hazardous wastes, liquid industrial wastes, hazardous materials, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs) or PCB contaminated fluids or equipment, freon, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundments;
- (ll) **“Hifyre”** has the meaning set forth on the first page of this Agreement;
- (mm) **“Hifyre Board”** means the board of directors of Hifyre;
- (nn) **“Holdback and Escrow Agreement”** means the holdback and escrow agreement to be dated as the Effective Date, among the Escrow Agent, Hifyre, FFHC, Pineapple and the Shareholder Nominees (as defined in Schedule A), in a form agreed upon by such parties, acting reasonably, prior to the Effective Date;
- (oo) **“IFRS”** means International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as amended from time to time;
- (pp) **“Income Tax Act”** means the *Income Tax Act* (Canada) R.S.C. 1985, c.1 (5th Supp.) as amended from time to time, and the *Income Tax Regulations*, C.R.C., c. 945 as amended from time to time;
- (qq) **“Indebtedness”** means, with respect to any Person, as of any specified time, without duplication: (i) all obligations of such Person for borrowed money to the extent required to be reflected as a liability on a balance sheet prepared in accordance with IFRS; (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments to the extent required to be reflected as a liability on a balance sheet prepared in accordance with IFRS; (iii) all obligations of such Person as an account party in respect of letters of credit and bankers’ acceptances or similar credit transactions; and (iv) all obligations of such Person guaranteeing any obligations of any other Person of the type described in the foregoing clauses (i) to (iii);
- (rr) **“Information Systems”** means the software, hardware, telecommunications, network connections, peripherals and related communication and technology infrastructure (excluding communication infrastructure that is generally accessible by the public) used by Pineapple;

(ss) **"Intellectual Property Rights"** means all intellectual property rights owned or licensed by Pineapple, including patents, copyrights, trade-marks and industrial designs (including registrations of and applications for all of the foregoing in any jurisdiction and renewals, divisions, extensions and reissues, where applicable, relating thereto), trade secrets, domain names, confidential information, technology (including rights with respect to computer software), Internet addresses and other computer identifiers, web sites, URLs, web pages, unique phone numbers, social media accounts or rights (e.g., Facebook, Twitter and Instagram handles), registrations for any of the foregoing and similar rights and items and all other material intellectual property rights of any kind owned or used by Pineapple in connection with the Business;

(tt) **"Interim Period"** means the period from the date hereof until the earlier of (i) the Effective Date, and (ii) the termination or expiry of this Agreement;

(uu) **"Key Employees"** means, collectively, each of:

- (i) [REDACTED], Chief Executive Officer;
- (ii) [REDACTED], Chief Financial Officer;
- (iii) [REDACTED], Chief Technology Officer;
- (iv) [REDACTED], Business Development Manager;
- (v) [REDACTED], Fleet Manager;
- (vi) [REDACTED], Regional Fleet Manager;
- (vii) [REDACTED] – Logistics Account Manager;

Names have been redacted

(vv) **"Leased Premises"** means lands and buildings (or parts thereof) which are subject to the Leases, being:

- (i) Ottawa - [REDACTED]
- (ii) Kingston - [REDACTED]
- (iii) Chatham - [REDACTED]
- (iv) London - [REDACTED]
- (v) Winnipeg - [REDACTED]
- (vi) Vancouver - [REDACTED]

Addresses have been redacted

(ww) **"Leases"** has the meaning set forth in Section 3.1(n)(ii);

(xx) **"Material Adverse Change"** means any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or would reasonably be expected to have, a Material Adverse Effect;

(yy) **"Material Adverse Effect"** means any circumstance, matter, event, change or effect, individually or when taken together with all other circumstances, matters, events, changes or effects that have occurred during any relevant period of time before the determination of the occurrence of that circumstance, matter, event, change or effect, that has, or would reasonably be expected to have, a material adverse change on the Business or the capitalization, assets, results of operations or condition (financial or otherwise) of Pineapple or that prevents or would reasonably be expected to prevent Pineapple from consummating the transactions contemplated by this Agreement, other than any circumstance, event, change or effect resulting from or attributable to:

- (i) changes in general political, regulatory, financial or economic conditions or the state of credit, capital, currency or securities markets in general;
- (ii) changes affecting generally the industry or market (taken as a whole) in which Pineapple operates;

- (iii) the adoption or proposed implementation of, or changes in, Applicable Law or interpretations thereof;
  - (iv) any change or development resulting from any act of terrorism, sabotage or outbreak of hostilities or war (or any escalation or worsening thereof) or any natural or man-made disaster; or
  - (v) changes in IFRS or any interpretation thereof;
- (zz) **“Material Agreement”** means, other than the Leases, any agreement, contract, commitment, instrument, undertaking, lease, promissory note, mortgage, indenture, settlement, license or other legally binding written agreement to which Pineapple is a party or otherwise bound:
- (i) evidencing any Indebtedness of Pineapple in excess of \$25,000;
  - (ii) that provides for the payment by or on behalf of Pineapple in excess of, or the delivery by Pineapple of goods or services with a fair market value in excess of, \$25,000 per annum during the remaining term thereof;
  - (iii) that provides for Pineapple to receive any payments in excess of, or any property with a fair market value in excess of, \$25,000 per annum during the remaining term thereof;
  - (iv) that contains covenants restricting the ability of Pineapple to carry on the Business;
  - (v) that relates to the acquisition or disposition of any business or assets other than in the ordinary course of business and pursuant to which Pineapple has any remaining liability;
  - (vi) any contract that has an unexpired term of more than 1 year (including renewals) and is not terminable by Pineapple for convenience on less than 90 days notice; or
  - (vii) the breach, non-performance or termination of which, or the failure of which to renew, would, individually or in the aggregate, be reasonably expected to result in a Material Adverse Change;
- (aaa) **“Misrepresentation”** means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated, or an omission to state a material fact that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made;
- (bbb) **“Newco”** has the meaning set forth on the first page of this Agreement;
- (ccc) **“Newco Resolution”** means the special resolution of Newco, to be authorized by Hifyre in its capacity as the sole holder of the Newco Shares approving the Amalgamation and this Agreement, in a form acceptable to the Parties, each acting reasonably;
- (ddd) **“Newco Shares”** means common shares in the capital of Newco;
- (eee) **“Non-Approval”** has the meaning set forth in Section 2.1(c);

- (fff) **"Notice"** means any citation, directive, Order, claim, litigation, investigation, proceeding, judgment, letter or other communication, written or oral, whether or not having the force of law, from any Governmental Authority.
- (ggg) **"Orders"** means all applicable judgements, orders, writs, injunctions, decisions and binding directives, protocols, policies and guidelines having the force of law rendered by any Governmental Authority.
- (hhh) **"Owned Software"** has the meaning set forth in Section 3.1(v)(i);
- (iii) **"Parties"** means, collectively, Hifyre, FFHC, Pineapple and Newco, and **"Party"** means any one of them, as the context requires;
- (jjj) **"Permits"** means all franchises, permits, licenses, certificates, approvals, authorizations or registrations issued by any Governmental Authority pursuant to Applicable Laws in relation to the Business;
- (kkk) **"Permitted Encumbrances"** means:
- (i) liens for Taxes, assessments and governmental charges that are due but are being contested in good faith and diligently by appropriate proceedings and in respect of which adequate provision for the related monetary obligation has been made in the Existing Financial Statements;
  - (ii) mechanics', materialmen's, carriers', workers', repairers', construction contractors', landlords' and similar liens arising or incurred in the ordinary course of business that are not yet past due or the amount or validity of which is being contested in good faith and diligently by appropriate proceedings and in respect of which adequate provision for the related monetary obligation has been made in the Existing Financial Statements;
  - (iii) in respect of real property, servitudes, easements, defects, restrictions, rights-of-way, zoning regulations and other similar rights or restrictions or any interest therein, provided the same are not of such nature as to materially adversely affect the use or value of the property subject thereto;
  - (iv) in respect of real property, the reservations in any original grants from the Crown of any real property or interest therein which do not materially affect the use or value of the real property subject thereto;
  - (v) inchoate liens claimed or held by any Governmental Authority or a public utility in respect of the payment of Taxes or utilities not yet due and payable; and
  - (vi) any other Encumbrances not incurred in connection with the borrowing of money or the incurrence of other Indebtedness and that, individually or in the aggregate, would not reasonably be expected to materially impair the value or the continued use and operation of the assets to which they relate;
- (lll) **"Person"** means any individual, firm, partnership, joint venture, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;
- (mmm) **"Personal Information"** means any factual or subjective information, recorded or not, about an Employee, independent contractor, agent, consultant, officer, director, executive,



client, customer or supplier of Pineapple who is a natural person, or about any other identifiable individual, including any record that can be manipulated, linked or matched by a reasonably foreseeable method to identify an individual, but does not include the name, title or business address or telephone number of any Employee;

- (nnn) **"Pineapple"** has the meaning set forth on the first page of this Agreement;
- (ooo) **"Pineapple Board"** means the board of directors of Pineapple;
- (ppp) **"Pineapple Common Shares"** means the common shares in the capital of Pineapple;
- (qqq) **"Pineapple Disclosure Schedule"** means the disclosure schedule delivered by Pineapple to Hifyre and FFHC prior to the Effective Date;
- (rrr) **"Pineapple Meeting"** means the special meeting of Pineapple Shareholders to be held to consider the Amalgamation and this Agreement;
- (sss) **"Pineapple Options"** means all outstanding options to acquire Pineapple Common Shares, as set out in Schedule B, attached;
- (ttt) **"Pineapple Resolution"** means the resolution authorising the Amalgamation and this Agreement, consented to by the required majority of Pineapple Shareholders at the Pineapple Meeting;
- (uuu) **"Pineapple Shareholder Approval"** means the approval of the Pineapple Shareholders in respect of the Pineapple Resolution;
- (vvv) **"Pineapple Shareholders"** means, at any time, the holders of outstanding Pineapple Common Shares;
- (www) **"Pineapple Warrants"** means all outstanding warrants to acquire Pineapple Common Shares, as set out in Schedule B, attached;
- (xxx) **"Privacy Laws"** means the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable laws governing the protection of personal information;
- (yyy) **"Receivables"** means all accounts receivable, bills receivable, trade accounts, book debts and insurance claims of Pineapple together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits.
- (zzz) **"Registrar"** means the Registrar of Corporations or a Deputy Registrar of Corporations, duly appointed under the CBCA;
- (aaaa) **"Required Documents"** means collectively, (i) Debt Repayment, Adjustment and Earn-Out Agreement, (ii) the Holdback and Escrow Agreement, (iii) the Articles of Amalco, (iv) Articles of Amendment, and (v) the Newco Resolution;
- (bbbb) **"Securities Authorities"** means the applicable securities commissions in the Provinces and Territories of Canada;
- (cccc) **"Subleases"** has the meaning set forth in Section 3.1(n)(ii);
- (dddd) **"Tax"** or **"Taxes"** means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority including (i) any gross income, net

income, gross receipts, business, royalty, capital, capital gains, Commodity Taxes, severance, stamp, franchise, occupation, premium, capital stock, real or immovable property, personal or movable property, transfer, license, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation or premium tax, (ii) all withholdings on amounts paid to or by Pineapple, (iii) all employment insurance premiums, Canada and any other governmental pension plan contributions or premiums, (iv) any tax imposed, assessed or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency or fee and (v) any fine, penalty, interest or other additional amount relating to any of the preceding amounts;

- (eeee) **“Tax Returns”** means all reports, returns, elections and other documents filed or required to be filed by Pineapple with a Governmental Authority in respect of Taxes or in respect of or pursuant to any domestic or foreign federal, provincial, state, municipal, territorial or other taxing statute;
- (ffff) **“Voting Trust Agreements”** means, collectively: (i) the voting trust agreement dated March 27, 2020, between Randy Rolph, as shareholder, and WCE, as voting trustee, (ii) the voting trust agreement dated March 27, 2020, between Mike Depault, as shareholder, and WCE, as voting trustee, (iii) the voting trust agreement dated March 27, 2020, between Mount Royal Investments Inc., as shareholder, and WCE, as voting trustee, and (iv) the voting trust agreement dated March 27, 2020, between Namaste Technologies Inc., as shareholder, and WCE, as voting trustee; and
- (gggg) **“Voting Trust Shares”** means the outstanding Pineapple Common Shares that are (i) subject to the Voting Trust Agreements, (ii) beneficially owned or controlled, directly or indirectly, by WCE.

In addition, words and phrases used herein and defined in the CBCA shall have the same meaning herein as in the CBCA unless the context otherwise requires.

## 1.2 Interpretation (General)

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto or thereto. In this Agreement, “including” means “including, without limitation,” unless expressly stated otherwise (e.g. “including only”), and “includes” has a corresponding meaning. In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa and words importing the use of either gender shall include both genders and neuter. If the date on which any action is required to be taken hereunder by any Party is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day. Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

## 1.3 Currency

Unless otherwise stated, all references in this Agreement to dollar amounts are expressed in Canadian currency.

#### **1.4 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by Applicable Law, the Parties waive any provision of Applicable Law that renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties will engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof that it replaces.

#### **1.5 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under, and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.

#### **1.6 Knowledge**

Any reference to the knowledge of a Party refers to the actual knowledge of such Party (if an individual) or of the senior officers of such Party (if an entity) after having made reasonable inquiries, or the actual knowledge such Party or senior officers would reasonably be expected to have had, if such reasonable inquiries had been made.

#### **1.7 Schedules**

The following schedules are attached to, and are deemed to be incorporated into and form part of, this Agreement:

- Schedule A - Material Terms re: Debt Repayment, Adjustment and Earn-Out Agreement
- Schedule B - Pineapple Options and Pineapple Warrants
- Schedule C - Authorized and Issued Capital and Securities

#### **1.8 Newco**

Notwithstanding any other provision of this Agreement, Pineapple acknowledges and agrees that the covenants, representations, warranties and agreements of Newco set forth herein shall only apply from and after the date Newco is incorporated.

### **ARTICLE 2 PINEAPPLE MEETING AND AMALGAMATION**

#### **2.1 Steps to be taken by Pineapple**

- (a) Pineapple covenants in favour of Hifyre and Newco that it shall:
  - (i) lawfully convene and hold the Pineapple Meeting for the purpose of considering the Pineapple Resolution (and for no other purpose unless approved in writing by Hifyre, as may be set out in the notice for such meeting) as soon as reasonably practicable and in any event, on or before January 31, 2022; and
  - (ii) except to the extent required by a Governmental Entity having jurisdiction, pursuant to an unsolicited motion approved at the Pineapple Meeting (which the

management of Pineapple agrees to vote against and to cause any discretionary proxies in favour of management to be voted against) or as specifically contemplated herein, not adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation) the Pineapple Meeting without the prior written consent of Hifyre.

- (b) Subject to obtaining the approval of the Pineapple Shareholders to the Amalgamation and the satisfaction or waiver of the other conditions herein contained in favour of each Party, Pineapple agrees that it shall exert its reasonable commercial efforts to make such arrangements with the Registrar as may be necessary or desirable to permit: (i) the filing with the Registrar of the Articles of Amalgamation to be made effective at the Effective Time, and (ii) the obtaining of a Certificate of Amalgamation in that regard.
- (c) In the event that there is a failure to obtain a consent, order or other approval of a Governmental Entity required in connection with the approval of the Amalgamation or the Pineapple Shareholders do not approve the Pineapple Resolution (the “**Non-Approval**”), then Pineapple shall, upon the request of Hifyre, use its reasonable commercial efforts to assist Hifyre to successfully implement and complete any alternative transaction structure that does not have material negative financial consequences for any Party. In the event that the transaction structure is modified as a result of any event contemplated pursuant to this Section 2.1(c) or otherwise, the relevant provisions of this Agreement shall forthwith be deemed modified as necessary in order that it shall apply with full force and effect, *mutatis mutandis*, to reflect the revised transaction structure and the Parties shall, upon the reasonable request of any Party, execute and deliver an agreement in writing giving effect to and evidencing such amendments as may be reasonably required as a result of such modifications. If the Parties cannot agree on an alternative transaction structure within sixty (60) days of the date of the Non-Approval, then this Agreement shall terminate and be of no force or effect, and the Parties will have no further obligation to each other hereunder.

## 2.2 Terms of Amalgamation

Subject to the terms and conditions in this Agreement, Pineapple, Newco, Hifyre and FFHC hereby covenant and agree to implement the Amalgamation as follows:

- (a) at the Effective Time, Newco and Pineapple shall amalgamate and continue as one company, being Amalco, pursuant to the provisions of Section 181 of the CBCA;
- (b) at the Effective Time:
  - (i) all of the Pineapple Common Shares outstanding immediately prior to the Effective Time shall be cancelled, and, subject to the terms of the Debt Repayment, Adjustment and Earn-Out Agreement and the Holdback and Escrow Agreement, holders of Pineapple Common Shares outstanding immediately prior to the Effective Time, other than the Dissenting Shareholders, shall receive, subject to Section 2.2(d) hereof, in exchange for their Pineapple Common Shares so cancelled, 0.027251851 of a fully paid and non-assessable FFHC Share for every one Pineapple Common Share so cancelled, subject to adjustment as provided for in the Debt Repayment, Adjustment and Earn-Out Agreement;
  - (ii) Hifyre shall receive one fully paid and non-assessable Amalco Share for each one Newco Share held by Hifyre, following which all such Newco Shares shall be cancelled;

- (iii) FFHC shall add an amount to the paid-up capital maintained in respect of the FFHC Shares equal to the aggregate paid-up capital for income Tax purposes of the Pineapple Common Shares immediately prior to the Effective Time (less the paid-up capital of any Pineapple Common Shares held by Dissenting Shareholders who do not exchange their Pineapple Common Shares for FFHC Shares pursuant to the Amalgamation);
  - (iv) Amalco shall add an amount to the paid-up capital maintained in respect of the Amalco Shares such that the paid-up capital of the Amalco Shares shall be equal to the aggregate paid-up capital for income Tax purposes of the Newco Shares and the Pineapple Common Shares immediately prior to the Effective Time;
  - (v) each Pineapple Option outstanding immediately prior to the Effective Time will be cancelled without any compensation or payment to the holder thereof; and
  - (vi) each Pineapple Warrant outstanding immediately prior to the Effective Time will be cancelled without any compensation or payment to the holder thereof;
- (c) as a result of the foregoing:
- (i) in accordance with section 186(b) of the CBCA, among other things, the property, rights and interests of each of Pineapple and Newco will continue to be the property, rights and interests of Amalco, and Amalco will continue to be liable for the obligations of each of Pineapple and Newco; and
  - (ii) Amalco will be a wholly-owned subsidiary of Hifyre;
- (d) no fractional FFHC Shares will be issued under the Amalgamation. Where the aggregate number of FFHC Shares to be issued to any Former Pineapple Shareholders under the Amalgamation would result in a fraction of a FFHC Share being issuable, the number of FFHC Shares to be issued to such holder shall be rounded down to the next whole number (and, in calculating such fractional interests, all FFHC Shares registered in the name of or beneficially held by such Former Pineapple Shareholder or their nominee shall be aggregated), and no cash or other consideration shall be paid or payable in lieu of such fraction of a FFHC Share;
- (e) each Pineapple Shareholder may exercise Dissent Rights in connection with the Amalgamation pursuant to and in the manner set forth in section 190 of the CBCA. Pineapple shall give Hifyre (i) prompt notice of any written notices of exercise of Dissent Rights, withdrawals of such notices, and any other instruments served pursuant to the CBCA and received by Pineapple; and (ii) the opportunity to participate in all negotiations and proceedings with respect to such rights. Without the prior written consent of Hifyre, except as required by the CBCA, Pineapple shall not make any payment with respect to any such rights or offer to settle or settle any such rights;
- (f) Pineapple Common Shares which are held by a Dissenting Shareholder shall not be converted as prescribed by subsection 2.2(b)(i). However, if a Dissenting Shareholder fails to perfect or effectively withdraw its claim under section 190 of the CBCA or forfeits its right to make a claim under section 190 of the CBCA or if its rights as an Pineapple Shareholder are otherwise reinstated, such Pineapple Shareholder's Pineapple Common Shares shall thereupon be deemed to have been converted as of the Effective Date as prescribed by subsection 2.2(b)(i); and
- (g) Notwithstanding any other provision of this Agreement, the FFHC Shares issuable to the Pineapple Shareholders in exchange for their respective Pineapple Common Shares as

aforesaid, will be subject to and released by the Escrow Agent to such Pineapple Shareholders only in accordance with the Debt Repayment, Adjustment and Earn-Out Agreement and the Holdback and Escrow Agreement. In addition, with respect to any Consideration Shares which are not subject to the Debt Repayment, Adjustment and Earn-Out Agreement, as provided for in section 2 of Schedule A, such Consideration Shares shall be subject to restrictions on transfer for a period of three months following the Effective Date, and will bear a restrictive legend denoting such restriction. With respect to any Consideration Shares which are Revenue Holdback Shares (as defined in Schedule A), such Consideration Shares shall be subject to restrictions on transfer for a period of twelve months following the Effective Date, and will bear a restrictive legend denoting such restriction. These resale restrictions will be in addition to any escrow restrictions provided for in the Debt Repayment, Adjustment and Earn-Out Agreement.

### 2.3 Effective Date

The Amalgamation shall be completed on the Effective Date and shall be effective at the Effective Time.

### 2.4 Articles of Amalgamation

Subject to the rights of termination contained in in this Agreement, upon obtaining the Pineapple Shareholder Approval and upon Hifyre signing the Newco Resolution as the sole holder of Newco Shares and the other conditions contained in this Agreement being satisfied or waived, Pineapple and Newco shall jointly file the Articles of Amalgamation, together with such other documents as may be required under the CBCA, with the Director in accordance with the CBCA in order to effect the Amalgamation. To the extent appropriate, the Articles of Amalgamation may be filed with the Director on a date agreed upon by the Parties in advance of the Effective Date.

### 2.5 Name of Amalco

The name of Amalco shall be "Pineapple Express Delivery Inc." or such other name determined by Hifyre.

### 2.6 Registered Office of Amalco

The address of the registered and records office of Amalco shall be:

400, 77 King Street West  
Toronto, ON M5K 0A1

### 2.7 Authorized Capital of Amalco

Amalco shall be authorized to issue an unlimited number of common shares (being the Amalco Shares).

### 2.8 Initial Directors of Amalco

The initial directors of Amalco shall be as follows:

Name	Address
Trevor Fencott	[REDACTED]
Norman Inkster	[REDACTED]
Donald Wright	[REDACTED]

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## 2.9 Initial Officers of Amalco

The initial officers of Amalco shall be as follows:

Name	Office Held
Trevor Fencott	Chief Executive Officer
Judy Adam	Chief Financial Officer
Matthew Anderson	Corporate Secretary
Such other officers as determined by the directors of Amalco	

## 2.10 Articles of Amalco

The Articles of Amalco shall be signed by a director of Amalco referred to in Section 2.8 hereof.

### ARTICLE 3 REPRESENTATIONS AND WARRANTIES

#### 3.1 Representations and Warranties of Pineapple

Pineapple represents and warrants to Hifyre and FFHC, and hereby acknowledges that each of Hifyre and FFHC is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Amalgamation, as follows:

- (a) **Power and Authority.** Pineapple has the legal capacity, power, authority and right (as applicable) to execute and deliver this Agreement and to perform its obligations hereunder.
- (b) **Legal Obligation.** This Agreement is, at the time it is entered into, a legal, valid and binding obligation of Pineapple and enforceable in accordance with its terms.
- (c) **No Violation.** The execution, delivery and performance of this Agreement and each of the other agreements to be executed and delivered by Pineapple pursuant to and in connection with the terms of this Agreement and the completion of the transactions contemplated hereby, do not and will not constitute or result in a violation, breach of or default under (i) any term of any indenture, agreement (written or oral), instrument, understanding, or other obligation or restriction to which Pineapple is a party or by which it is bound, or (ii) any term or provision of its constating documents, or (iii) any term or provision of any Permits, Order, Applicable Law or Regulation applicable to Pineapple.
- (d) **Formation.** Pineapple has been incorporated and, validly exists under the laws of the jurisdiction of its incorporation and is in good standing under applicable corporate laws and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Pineapple is registered, licensed or otherwise qualified as a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect.

- (e) Subsidiaries. Pineapple does not beneficially own, or exercise control or direction over, any outstanding voting securities of any company, and does not own any securities or, have any interest in, any joint venture entity or other Person.
- (f) Corporate Records, Officers and Directors. The constating documents, shareholders agreement, articles of incorporation, by-laws, minute books and corporate records of Pineapple, have been made available to Hifyre for its review and constitute all of the constating documents, shareholders agreements, articles of incorporation, by-laws, minute books and corporate records of Pineapple, and are complete and correct and in full force and effect. The minute books and corporate records of Pineapple have been maintained in all material respects, in accordance with Applicable Law and contain written documentation pertaining to all material actions of Pineapple's directors and shareholders that are required to be reflected therein. All meetings of directors and shareholders of Pineapple have been duly called and held and all resolutions have been duly passed in accordance with Applicable Law at such meetings or by written resolution.
- (g) Books and Records. All Books and Records have been properly, fully and accurately kept in all material respects in accordance with Applicable Law and contain full and accurate records of all material matters relating to the Business and Pineapple. All financial transactions relating to the Business have been accurately recorded in the Books and Records. None of the Books and Records are in the possession or control of, recorded, stored, maintained by, or otherwise dependent on, any Person other than Pineapple.
- (h) Financial Information. Copies of (i) the unaudited balance sheets of Pineapple as of December 31, 2019 and 2020, and the unaudited statements of comprehensive income, changes in equity and cash flows of Pineapple for the years then ended, and (ii) the unaudited balance sheets of Pineapple as of October 31, 2021 and the unaudited statements of comprehensive income, changes in equity and cash flows of Pineapple for the ten month period then ended (collectively, the "**Existing Financial Statements**") have been made available to Hifyre prior to the execution of this Agreement. The Existing Financial Statements, other than the unaudited balance sheets of Pineapple as of October 31, 2020, were prepared in accordance with IFRS, consistent with past practices and fairly present, in all material respects, the financial position of Pineapple as of the dates and for the periods presented and for the periods referred to therein.
- (i) Authorized and Issued Capital. The names of all registered and beneficial owners of the issued and outstanding Pineapple Common Shares and the number of such Pineapple Common Shares held by each of them is set forth in Schedule B, attached, all of such Pineapple Common Shares are validly issued and outstanding as fully paid and non-assessable shares, and all such Pineapple Common Shares collectively constitute all of the issued and outstanding shares of Pineapple. Each Person identified in Schedule A attached is the registered and to the best of Pineapple's knowledge, the beneficial holder of the Pineapple Options or Pineapple Warrants set forth opposite their name, and all Pineapple Options and Pineapple Warrants have been duly authorized and validly issued. The Pineapple Options and Pineapple Warrants set forth in Schedule A constitute all of the issued Pineapple Options and Pineapple Warrants of Pineapple. Except as set out in Section 3.1(i) of the Pineapple Disclosure Schedule, no Person has any oral or written agreement, option, warrant, right, privilege or any other right of any nature whatsoever capable of becoming any of the foregoing, for the purchase or other acquisition of any shares or other securities of Pineapple other than as disclosed in Section 3.1(i) of the Pineapple Disclosure Schedule. Except for this Agreement and as disclosed in Section 3.1(i) of the Pineapple Disclosure Schedule, there is no contract, option or any other right of another binding upon or which at any time in the future may become binding upon Pineapple to allot or issue any of the unissued shares, units or other securities of Pineapple, or to create any additional class of shares, units or other securities or to transfer or sell any shares, units or other securities in Pineapple to any Person.



- (j) Consents, Approvals, etc. Except as disclosed in Section 3.1(j) of the Pineapple Disclosure Schedule, no consent, approval, Permit or Order of or filing with or from any Governmental Authority is required by Pineapple in connection with (a) the execution and delivery by Pineapple of this Agreement or of any other agreements contemplated by or referred to herein to which Pineapple are, or will be, a party, (b) the completion of the Amalgamation, or (c) the observance and performance by Pineapple of their respective obligations under this Agreement and any such other agreements.
- (k) Receivables. All Receivables, as at the date of the respective Existing Financial Statements, are recorded in the Existing Financial Statements or the Books and Records, and the Receivables, which have not been otherwise been subject to a factoring arrangement, are valid obligations which arose in the ordinary course of business and are collectable in the ordinary course of business, in the aggregate, at their full face value (subject to a reasonable allowance for doubtful accounts) and are not subject to any set-off or counterclaim, and to the best of the knowledge of the Pineapple are collectable.
- (l) No Adverse Change. Since December 31, 2020, there has not been a Material Adverse Change.
- (m) Material Agreements. Section 3.1(m) of the Pineapple Disclosure Schedule sets forth a complete and accurate list, as of the date of this Agreement, of the Material Agreements. A true and complete copy of each Material Agreement has been made available to Hifyre. Each Material Agreement is in full force and effect and is a valid and binding obligation of Pineapple ,and is enforceable against Pineapple, in accordance with its terms. Neither Pineapple nor any other party to a Material Agreement is in default or breach, in any material respect, of a Material Agreement and, there does not exist any event, condition or omission that would constitute such a default or breach (whether by lapse of time or notice or both). There are no claims, disputes, charges, setoffs, or defenses available to any client with respect to any Material Agreement. Neither the execution, delivery or performance of this Agreement nor the consummation or performance of any of the transactions contemplated hereunder will, directly or indirectly (with or without notice or lapse of time) violate or conflict with, or result in a breach of any provision of or forfeiture of any rights under, or require any consent, waiver or approval, or result in a default or give rise to any right of termination, cancellation, modification or acceleration under any terms, conditions, or provisions of any Material Agreement.
- (n) Real Property.
  - (i) Pineapple does not own any real property. A true and complete list of the real property leases or licenses to use or occupy real property used primarily or exclusively for the conduct of the Business (including for certainty leases for office space and warehouse space and site licenses for telecommunications equipment used in the conduct of the Business) has been provided to Hifyre, and Pineapple does not have any other leasehold interest in real property.
  - (ii) Section 3.1(n)(ii) of the Pineapple Disclosure Schedule sets out a list of the real property leases under which Pineapple leases real property (the “**Leases**”) as well as a list of all real property subleases (the “**Subleases**”) under which Pineapple subleases any real property to any other Person.
  - (iii) Each Lease and Sublease covers in all material respects the entire estate it purports to cover and, subject to the delivery of the applicable notices or receipt of the applicable consents listed on Section 3.1(n)(iii) of the Pineapple Disclosure Schedule, following the Effective Time will continue to entitle Amalco to the use, occupancy and possession of the real property specified in the Lease for the purposes such properties are currently used. Each Lease and Sublease is valid

and in full force and effect and Pineapple is not in breach or default, in any material respect, thereunder or has not been notified of any default or breach of, or any intention to terminate or not renew, the Lease or Sublease.

- (iv) With respect to the Leases and the Leased Premises:
  - (A) true and complete copy of the Leases, including any amendments thereof, have been made available to Hifyre for inspection;
  - (B) each Lease is full force and effect and in good standing with no amendments. There are no current or, to the knowledge of Pineapple, pending negotiations with respect to the renewal, repudiation or amendment of each such Lease;
  - (C) all payments required to be made by Pineapple under any Lease to which it is party have been paid, there are no outstanding defaults or violations in any material respect under any such Lease nor, to the knowledge of Pineapple, on the part of the landlord thereunder, there are no known disputes between Pineapple and such landlord;
  - (D) Pineapple has adequate rights of ingress and egress to and from all of the Leased Premises it occupies for the operation of the Business in the ordinary course;
  - (E) the current use of the Leased Premises by Pineapple complies in all material respects with all Applicable Law;
  - (F) no alterations, repairs, improvements or other work have been ordered, directed or requested in writing under any applicable law by Pineapple, or by any other Person, with respect to the Leased Premises or the buildings and structures thereon or with respect to any of the plumbing, heating, elevating, water, drainage or electrical systems, fixtures or works, which alteration, repair, improvement or other work for the Leased Premises that has not been completed;
  - (G) there is nothing owing by Pineapple in respect of the supply to or the use by it of water, gas, electrical power or energy, steam or hot water, or other utilities relating to the Leased Premises (except for current accounts the payment dates of which have not yet passed); and
  - (H) to the knowledge of Pineapple, no part of any Leased Premises has been taken or expropriated by any body having power of expropriation, nor, to the knowledge of Pineapple, has any legal proceeding or written notice in respect of any such expropriation been commenced, given or threatened.

(o) Properties and Assets.

- (i) Pineapple has good and valid title to the properties and assets that are reflected as being owned by it in the Books and Records, free and clear of all Encumbrances, except for Permitted Encumbrances. The assets owned and leased by Pineapple at the Effective Time will be sufficient, in all material respects, to permit the continued operation of the Business as previously conducted by Pineapple as of the date hereof and comprise all material assets currently used and required for use in the Business.

- (ii) The buildings, structures, fixtures, vehicles, equipment, network facilities and other tangible personal property owned or leased by Pineapple are, in all material respects, in good operating condition having regard to their use and age and adequate and suitable for the uses to which they are being put. None of such buildings, structures, fixtures, vehicles, equipment, network facilities and other tangible personal property owned or leased by Pineapple are, as of the date hereof, in need of material maintenance or repairs, except for any maintenance or repairs (A) usually performed in the ordinary course of business and consistent with past practice, (B) which are to be performed under any contract which is currently in effect pursuant to which a third party is retained for the maintenance or repair of such assets or (C) which are not, individually or collectively, material and are to be performed as a result of force majeure events occurring within the preceding 60 days.
- (iii) There is no contract, option, or any other right of another Person binding upon or which at any time in the future may become binding upon Pineapple to sell, transfer, assign or in any other way dispose of any part of the assets of Pineapple, other than in the ordinary course of business.
- (p) Liabilities. Except as set forth in Section 3.1(p) of the Pineapple Disclosure Schedule, Pineapple does not have any liabilities or obligations, whether accrued, contingent, absolute, determined, determinable or otherwise, other than liabilities or obligations that (i) are disclosed or reflected in the Existing Financial Statements, (ii) were incurred in the ordinary course of business and consistent with past practice, (iii) were incurred in accordance with the express provisions of a Material Agreement listed in Section 3.1(m) of the Pineapple Disclosure Schedule, or (iv) were incurred in connection with this Agreement.
- (q) Employment/Personnel Matters.
  - (i) Section 3.1(q)(i) of the Pineapple Disclosure Schedule sets forth, as at the date hereof, a list of all Employees and independent contractors and indicates:
    - (A) the full legal name and title of such Employee or and independent contractor;
    - (B) the location of his or her employment or engagement;
    - (C) the date such Employee or and independent contractor was hired or engaged and their recognized service date if different;
    - (D) the Employee's or and independent contractor's hourly rate of pay or base annual salary;
    - (E) the rate of annual remuneration of such Employee or and independent contractor during each of the last 3 years, including any bonuses paid to such Employee or independent contractor, and all other wages, bonuses, incentive schemes, management fees, benefits, allowances, commissions and other compensation to which such Employee or independent contractor is entitled;
    - (F) vacation entitlements (weeks) and amount of vacation pay payables accrued for such Employee or independent contractor, together with vacation pay percentage for each such Employee or independent contractor;

- (G) the employment status of each Employee, whether employed on a part-time or full-time basis and the average number of hours worked on a weekly basis for the preceding nine (9) weeks;
  - (H) a list of all written employment contracts or agreements by which Pineapple is bound with any Employee or independent contractor;
  - (I) a complete and accurate summary of the terms of all oral contracts or agreements with Employees or independent contractor; and
  - (J) a list of Benefit Plans applicable to each Employee or independent contractor.
- (ii) Except as disclosed in Section 3.1(q)(ii) of the Pineapple Disclosure Schedule, no Employee or independent contractor is on a paid or unpaid leave of absence or otherwise not actively at work (other than vacation in the ordinary course).
  - (iii) Except as disclosed in Section 3.1(q)(iii) of the Pineapple Disclosure Schedule, Pineapple does not employ or engage any other Persons to work for or provide services on behalf of Pineapple.
  - (iv) Except as disclosed in Section 3.1(q)(iv) of the Pineapple Disclosure Schedule, no Employee or independent contractor is entitled to any severance, termination or other similar payments or entitlements more than the minimum prescribed under the applicable employment standards legislation in the province of such Employee or independent contractor's employment.
  - (v) No Employee or independent contractor is entitled to any severance, payment, bonuses, notice or pay in lieu of notice, other compensation benefits or other rights contingent upon the closing of any of the transactions contemplated by this Agreement nor are there any change of control agreements in place with any Employee or independent contractor.
  - (vi) All unpaid vacation pay, employment insurance premiums, employer health tax, workers compensation premiums, health premiums, Canada Pension Plan premiums, employment taxes, salaries, wages, commissions, overtime, incentives, bonuses, employee plan payments or premiums and other compensation now owing or which will become owing prior to the Effective Date, for or in respect of the Employees or independent contractors, have been or will be paid and accrued in the ordinary course of business consistent with past practice. There has been no increase from current levels promised to the Employees or independent contractors in the level or rates of wages, salaries, commissions, bonuses, fees, and other compensation for any of the Employees or independent contractors except in the ordinary course of business in accordance with past practice.
  - (vii) Pineapple is in compliance in all material respects with all Applicable Law respecting labour, employment, pay equity, terms and conditions of employment, wages and hours, vacation pay, overtime pay, sick pay, termination pay, severance pay, benefits, employment standards, human rights, occupational health and safety, accessibility, and workers' compensation, and is not in default in the payment of any wages, pension or other benefits or contributions in respect thereof and no dispute exists with respect thereto.

- (viii) Except as disclosed in Section (q)(viii) of the Pineapple Disclosure Schedule, there are no outstanding claims, complaints, proceedings or investigations by or on behalf of any Employee, independent contractor or former employee, under any employment standards, human rights, pay equity, labour relations, occupational health and safety, workers' compensation or any other employment related statute or common law, including claims for common law notice of termination, in each case in respect of their employment or engagement with or by Pineapple, and Pineapple has not been advised that any such claims, complaints or proceedings are threatened.
- (ix) All costs, charges, assessments or other liabilities or amounts due or owing under workers' compensation or occupational health and safety legislation or other provisions of the Applicable Law relating to workplace safety, industrial accidents and/or occupational diseases in respect of the Employees or independent contractors, have been paid by Pineapple.
- (x) There have been no fatal or critical workplace accidents relating to the Business in the three (3) years preceding the date hereof which would reasonably be expected to lead to charges or orders under occupational health and safety legislation or workers compensation legislation. Pineapple has complied in all respects with any orders issued under any workers' compensation or occupational health and safety legislation relating to the Business and, to the knowledge of the Pineapple, there are no such orders or appeals of any orders which are currently outstanding.
- (xi) Pineapple has no reason to believe that any Employee or independent contractor would terminate his or her employment or engagement with Pineapple as a result of or in anticipation of the transactions contemplated by this Agreement. General relations between Pineapple and its Employees and independent contractors are good and there is no present, pending or threatened labour strike, dispute, slowdown or work stoppage.
- (xii) No director or officer of Pineapple has had any relationship (including any personal relationship) with any Employee, other than a work relationship in respect of the Business.
- (r) Collective Agreements. No trade union has bargaining rights in respect of the Business, any Employees or independent contractors, and Pineapple is not bound to, any Collective Agreement or voluntary recognition, and Pineapple is not required to recognize any labour union or employee association representing any Employees, independent contractors, or persons performing services for the Business and, to the knowledge of Pineapple, no union organization campaign exists with respect to any Employees and no request or petition for union representation has been filed or made nor has there been any attempt to file such a request or petition within the last two years preceding the date of this Agreement
- (s) Benefit Plans.
  - (i) Section 3.1(s) of the Pineapple Disclosure Schedule, contains a true and complete list of all Benefit Plans. Current and complete copies of all written Benefit Plans as amended to date or, where oral, written summaries of the terms thereof, and all booklets and communications concerning the Benefit Plans which have been provided to persons entitled to benefits under the Benefit Plans have been delivered to Hifyre together with copies of all material documents relating to the Benefit Plans. There have been no promised improvements, increases or changes to the benefits provided under any Benefit Plan.

- (ii) Pineapple does not administer or contribute to any other Benefit Plans except those provided to Hifyre as set out in Section 3.1(s) of the Pineapple Disclosure Schedule.
  - (iii) Each Benefit Plan has been maintained in compliance in all material respects with its terms and with the requirements prescribed by any and all Applicable Law that are applicable to that Benefit Plan and all amounts due and owing under any Benefit Plan have been paid in full up to the Effective Date.
  - (iv) Neither the execution of this Agreement nor the completion of any of the transactions contemplated by this Agreement will result in any payment (including bonus, golden parachute, retirement, severance, unemployment compensation, or other benefit or enhanced benefit) becoming payable under any Employee or independent contractor contract or agreement or Benefit Plan.
  - (v) There is no requirement for Pineapple to provide any post-retirement benefits to any Employee, former Employee, independent contractor, officer or director. No Employees, former Employees, independent contractor, officers or directors are entitled to defined benefit or defined contribution pensions.
  - (vi) None of the Benefit Plans requires or permits a retroactive increase in premiums or payments, and the level of insurance reserves, if any, under any insured or self-insured Benefit Plan is reasonable and sufficient to provide for all incurred but unreported claims
- (t) No Actions. Except as disclosed in Section 3.1(t) of the Pineapple Disclosure Schedule, to the best of Pineapple's knowledge, there are no Actions relating to Pineapple or the Business filed with a Governmental Authority against Pineapple or the Business by any Person or pending before or imposed by any Governmental Authority (other than Orders and Notices of general application), in each case whether or not insured, nor to the knowledge of Pineapple's, are any of the foregoing threatened.
- (u) Intellectual Property.
- (i) Intellectual Property Registrations. All registrations and applications for registration of Intellectual Property Rights owned by or licensed on an exclusive basis to Pineapple are valid and subsisting, in good standing and are recorded in the name of, or licensed to, Pineapple. Except as disclosed in Section 3.1(u)(i) of the Pineapple Disclosure Schedule, none of the aforesaid applications for registration of any material Intellectual Property Rights have been rejected, withdrawn or, to the knowledge of Pineapple, opposed.
  - (ii) Intellectual Property Ownership. Section 3.1(u)(ii) of the Pineapple Disclosure Schedule sets forth a true and complete list of all Intellectual Property Rights, together with an indication of the owner thereof. Pineapple is the sole owner of the Intellectual Property Rights indicated as owned by it and is entitled to the exclusive and uninterrupted use of such Intellectual Property Rights without payment of any royalty or other fees. All Intellectual Property Rights not owned, but used, by Pineapple are the subject of a written license granted by the rightholder(s) to Pineapple. Pineapple has used commercially reasonable efforts to protect its legal rights to the exclusive use of the Intellectual Property Rights disclosed in Section 3.1(u)(i) of the Pineapple Disclosure Schedule that are owned by or exclusively licensed to it and has maintained all registrations necessary or desirable to protect its rights in such Intellectual Property Rights.

- (iii) Permissions. Pineapple's material permissions and licenses to use the Intellectual Property Rights of other Persons (including with respect to software and computer programs), other than "shrink wrap", "click wrap" or "off the shelf" software licenses that are generally commercially available, are disclosed in Section 3.1(u)(iii) of the Pineapple Disclosure Schedule. Pineapple has not permitted or licensed any Person to use any of the material Intellectual Property Rights except as disclosed in Section 3.1(u)(iii) of the Pineapple Disclosure Schedule. Each licence referred to in Section 3.1(u)(iii) of the Pineapple Disclosure Schedule is in full force and effect and to the knowledge of Pineapple, none of the licensor or licensee, is in default of its obligations thereunder.
  - (iv) Validity. Except as disclosed in Section 3.1(u)(iv) of the Pineapple Disclosure Schedule, to the knowledge of Pineapple, no Person has challenged the validity of any of the registrations or applications for registration of the Intellectual Property Rights disclosed in Section 3.1(u)(iv) of the Pineapple Disclosure Schedule owned by or licensed on an exclusive basis to Pineapple or Pineapple's rights to any of the Intellectual Property Rights.
  - (v) Infringement. Neither the use of the Intellectual Property Rights nor the conduct of the Business has in the last four years infringed or currently infringes upon the intellectual property rights of any other Person. Pineapple has not received in the last four years any notice of infringement and Pineapple has no knowledge of any facts that would reasonably be expected to form the basis of an Action which would constitute a *bona fide* claim for infringement of intellectual property rights of any other Person. To the knowledge of Pineapple, no other Person has infringed any of Pineapple's rights to the Intellectual Property Rights in the last three years.
- (v) Information Systems.
- (i) Software. Pineapple owns all right, title and interest in and to the software owned by it, including the Canndeliv software, (the "**Owned Software**"), free and clear of all Encumbrances other than Permitted Encumbrances. There are no claims of infringement, breach of confidence, adverse ownership or other claims, demands, actions or investigations pending or in process or, to the knowledge of the Pineapple, threatened against Pineapple in relation to its Owned Software or any software licensed for use by Pineapple. With respect to any applicable software (other than the Owned Software) used by Pineapple in connection with the Business, Pineapple has all necessary licenses and permissions from the applicable third party licensors to use and exploit such software in the manner in which it has been and currently is using and exploiting such software, except where the failure to do so would not have a Material Adverse Effect.
  - (ii) Adequacy and Compliance. The Information Systems adequately meet the data processing and other computing needs of the Business as presently conducted in all material respects. Pineapple has all necessary software licenses required to conduct the Business as presently conducted in all respects, and there are no shortages therein. The Information Systems function, operate, process and compute, in all respects, in accordance with all Applicable Law, industry standards and trade practices
- (w) Privacy Matters.
- (i) To the best of Pineapple's knowledge, Pineapple has complied at all times and in all material respects with all Privacy Laws including in connection with its collection, use and disclosure of Personal Information and customer information and data. All consents required to be obtained in connection with the provision of

Personal Information to Hifyre in connection with this Agreement have been obtained.

- (ii) Pineapple has a documented privacy policy and procedure governing the collection, use, retention and disclosure of all Personal Information under its possession or control and is in compliance in all material respects with such policy. Pineapple has obtained all consents required to use, retain and disclose Personal Information collected in the course of its existing commercial activities. Pineapple has only used, retained and disclosed the Personal Information in its possession or control for the purposes for which it received consent. No claims, complaints or investigations have been asserted or, to the knowledge of Pineapple, threatened against Pineapple by any Person alleging a violation of such Person's privacy, personal or confidentiality rights under any Privacy Laws.

(x) Environmental.

To the best of Pineapple's knowledge:

- (i) the operation of the Business (including at or from the Leased Premises) complies in all material respects with Environmental Laws and there are no Hazardous Substances in violation of Environmental Laws located on, in or under or all or any part of the Leased Premises;
- (ii) Pineapple is not in violation of any Environmental Laws;
- (iii) Pineapple has not received any written demand or written notice with respect to a breach of or liability under, whether actual or alleged, any Environmental Laws; and
- (iv) there are no expenses, penalties or costs to be incurred, or already accruing, by Pineapple or in connection with the Leased Premises and there is no reasonable basis for any claim against Pineapple, in each case under any Environmental Laws or with respect to any Hazardous Substances.

- (y) Compliance with Applicable Law and Conduct of Business. To the best of Pineapple's knowledge, Pineapple is qualified to carry on business in the jurisdictions in which it carries on the Business. Pineapple is in compliance with all Applicable Law that are applicable to it or to the conduct of the Business, and no event has occurred or circumstance exists that (with or without notice or lapse of time) may constitute or result in a violation by Pineapple of, or a failure by Pineapple to comply with, any Applicable Law or may give rise to any obligation on the part of Pineapple to undertake, or to bear all or any portion of the cost of, any remedial action of any nature. Pineapple has not received any written notice or other communication (whether oral or written) from any Governmental Authority or any other Person regarding any actual, alleged, possible or potential violation of, or failure to comply with, any Applicable Law, or regarding any actual, alleged, possible or potential obligation on the part of Pineapple to undertake, or to bear all of or any portion of the cost of, any remedial action of any nature by reason of a violation of Applicable Law.

- (z) Non-Arm's Length Transactions. Except as disclosed in Section 3.1(z) of the Pineapple Disclosure Schedule, no shareholder, officer, director or other Affiliate of Pineapple, Employee, (or Affiliate ) or other Person not dealing at arm's length (as such term is defined for purposes of the Income Tax Act) with Pineapple, (A) is engaged in any transaction or arrangement with or is a party to any contract, agreement or license with Pineapple, (B) has any indebtedness, liability or other obligation to Pineapple, or (C) has any interest in or owns any asset, tangible or intangible, which is used in the Business, in each case except for (i) transactions, arrangements, contracts, agreements or licences that would not



create liabilities or obligations from and after the Effective Date, (ii) employment arrangements, including pursuant to Benefit Plans, with officers and Employees or (iii) directors' fees.

(aa) Tax Matters. Except as disclosed in Section 3.1(aa) of the Pineapple Disclosure Schedule:

- (i) Pineapple has prepared and filed when due all Tax Returns required to be filed by or on behalf of it in respect of all Taxes, and all such Tax Returns are correct and complete in all respects. All Tax Returns provided to Hifyre are true, accurate and complete copies;
- (ii) Pineapple has never been required to file any Tax Returns with, or has been liable to pay or remit Taxes to, any Governmental Authority outside of Canada;
- (iii) All Tax liabilities of Pineapple have been assessed by the appropriate Government Authority for all financial years up to and including the financial year ended 2020, and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any Tax Return or the payment of any Taxes by Pineapple or the examination of any Tax Return or the levying of any assessment by any jurisdiction or authority with which Pineapple has filed any Tax Return;
- (iv) Pineapple has paid in full and when due all Taxes and instalments on account of Taxes required to be paid by it;
- (v) Pineapple has withheld from each payment made or deemed to have been paid or credited to any of its past or present shareholders, employees, independent contractors, officers, creditors or directors and to any non-resident of Canada or any Person deemed to be a non-resident of Canada for the purposes of the Income Tax Act or other Person the amount of all Taxes and other deductions required to be withheld therefrom and has paid the same to the proper tax or other receiving authorities when due to each Government Authority;
- (vi) Pineapple has collected within the prescribed time, all amounts required to be collected by it on account of Taxes. Pineapple has remitted within the prescribed time, to the appropriate tax authority when required by law to do so all such amounts collected or deemed to be collected by it;
- (vii) There are no actions, suits, proceedings, investigations or claims pending or, to the knowledge of Pineapple, threatened against Pineapple in respect of Taxes nor are any matters under discussion with any Governmental Authority relating to Taxes asserted by any such authority. No Governmental Authority has assessed any additional Taxes for any period for which Tax Returns have been filed, and Pineapple is not aware of any grounds for the assessment or reassessment of Pineapple for additional Taxes for any period for which Tax Returns have been filed. Pineapple does not have any contingent liability for Taxes, including unreported benefits conferred on any shareholder of Pineapple, aggressive treatment of income, expenses, credits or other claims for deduction under any return or notice;
- (viii) There are no Encumbrances on any of the assets of Pineapple that arose in connection with any failure (or alleged failure) to pay any Taxes, other than Permitted Encumbrances;

- (ix) Other than as reported in the Tax Returns, sections 80 to 80.04 of the Income Tax Act or any similar provincial or territorial provisions have not applied to Pineapple;
- (x) Pineapple has never declared or paid a dividend to which Tax under Part VI.1 of the Income Tax Act applies;
- (xi) Pineapple has never made an election for deferral of Taxes in circumstances where the amount elected as the transferor's proceeds of disposition and the acquiror's cost of acquisition for purposes of federal Tax is different from the amount elected for purposes of provincial or territorial Tax;
- (xii) Except as shown in the Tax Returns provided to Hifyre, there are no reserves or deductions for Tax purposes if, as a result of such claim, any amount could be included in its income for any period post Closing;
- (xiii) The provision for Taxes in the each of the Existing Financial Statements constitute an adequate provision for the payment of all unpaid Taxes in respect of all periods up to and including the period to which such financial statements relate;
- (xiv) No requirement, demand or request has been received under Section 224 of the Income Tax Act. Pineapple does not have any unpaid amounts to which Section 78 of the Income Tax Act could apply;
- (xv) Any transaction between Pineapple and a non-resident Person was priced in a manner such that no adjustment will arise under Section 247 of the Income Tax Act and Pineapple has made or obtained records or documents in respect of such transactions that meet the requirements of paragraphs 247(4)(a) to (c) of the Income Tax Act;
- (xvi) Pineapple has not filed or is not a party to an election pursuant to Section 83 or 85 of the Income Tax Act;
- (xvii) Pineapple has self-assessed any Commodity Tax applicable on imported goods or services into Canada or into any province of Canada;
- (xviii) Pineapple is duly registered for GST/HST or provincial Taxes, all material input Tax credits have been properly calculated and claimed and Pineapple has all the prescribed information that a registrant is required to obtain before claiming an input Tax credit or input Tax refund;
- (xix) Pineapple is not a party to any tax sharing agreement, tax indemnification agreement or other agreement or arrangement relating to Taxes with any Person. Pineapple has not been a member of an affiliated, combined or unitary group filing a combined, unitary or other return in respect of Taxes reflecting the income, assets or activities of affiliated companies, nor has it any liability for the Taxes of any other Person under any applicable law (including under section 160 of the Income Tax Act), as a transferee or successor, by contract or otherwise;
- (xx) Pineapple has not received any refund of Taxes to which it is not entitled, including any refund resulting from a deemed overpayment of Taxes pursuant to s. 125.7 of the Income Tax Act, relating to claims pursuant to the Canada Emergency Wage Subsidy or the Canada Emergency Rent Subsidy.
- (xxi) Pineapple has not made an "excessive eligible dividend designation" as defined in the Income Tax Act;

- (xxii) Pineapple has never participated in any transaction that is a “reportable transaction” (as defined for purposes of section 237.3 of the Income Tax Act) or that is subject to the provisions of any similar federal, provincial or foreign legislation.
  
- (bb) Bankruptcy and Insolvency. Pineapple is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and Pineapple has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect of it. Pineapple has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver has been appointed in respect of Pineapple, or any of its property or assets and no execution or distress has been levied upon any of such property or assets.
  
- (cc) Insurance. The insurance policies held by Pineapple and any applicable endorsements or other variations, are appropriate for the Business and the employees thereof, and are maintained in such amounts and against such risks as are customarily carried and insured against by prudent owners of comparable businesses. To the knowledge of Pineapple, such policies will be renewable on their natural expiry on terms materially the same as their current terms. No third party claim under any of such policies is outstanding and, to the knowledge of Pineapple, no event has occurred which would reasonably be expected to be the subject of a claim under any such policy or which would reasonably be expected to be required under any such policy to be notified to the insurers in accordance with the terms of the policy.
  
- (dd) Restrictive Agreement. Pineapple is not party to or bound by any agreement requiring Pineapple to assign any interest in any trade secret or proprietary information, or with respect to the Business, (i) limiting the ability of Pineapple to compete in any line of business with any person or in any geographical area or during any period of time; (ii) restricting the ability of Pineapple to do business with any person or hire or solicit any customers or employees; (iii) granting the other party “most favoured nations” status or type of special discount rights; (iv) requiring Pineapple to purchase its total requirements of product or service from any person; or (v) otherwise restricting it from carrying on the Business anywhere in the world.
  
- (ee) Government Licenses and Permits. Except as disclosed in Section 3.1(ee) of the Pineapple Disclosure Schedule, no licenses or Permits issued by a Governmental Entity are owned or possessed by, or issued to, Pineapple.
  
- (ff) Bank Accounts. Section 3.1(ff) of the Pineapple Disclosure Schedule lists all of the bank accounts of Pineapple along with each authorized signatory, the number of required signatories for various transactions, and the level of each signatory’s authorization.
  
- (gg) Broker’s Fees. Except as pursuant to the Haywood Engagement Letter, Pineapple has no liability or obligation to pay any broker, finder, agent or firm or other Person.
  
- (hh) Full Disclosure. Pineapple has no knowledge of any circumstance, matter, event, change or effect that would reasonably be expected to have a Material Adverse Change and that has not been disclosed to Hifyre in writing.

### 3.2 Representations and Warranties of Hifyre and FFHC

Hifyre and FFHC jointly and severally represent and warrant to Pineapple, and acknowledge that Pineapple is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Amalgamation, as follows:

- (a) Power and Authority. Each of Hifyre, Newco and FFHC has good and sufficient power, authority and right to enter into and deliver this Agreement and to perform the obligations contemplated hereby to be performed by it.
- (b) Legal Obligation. This Agreement is, at the time it is entered into, a legal, valid and binding obligation of each of Hifyre, Newco and FFHC and enforceable against each of them in accordance with its terms.
- (c) Necessary Corporate Action. Each of Hifyre, Newco and FFHC has taken all necessary actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of, this Agreement and the transactions contemplated hereby, as well as all other agreements to be executed and delivered by it pursuant to the terms of this Agreement. This Agreement is a legal, valid and binding obligation of Hifyre, Newco and FFHC, enforceable against each of them in accordance with its terms.
- (d) No Violation. The execution, delivery and performance of this Agreement and the completion of the transactions contemplated hereby, do not and will not constitute or result in a violation, breach of or default under (i) any term or provision of any of the articles, by-laws or other constating documents of Hifyre, Newco or FFHC, (ii) any director or shareholder resolution of Hifyre, Newco or FFHC, (iii) any term of any indenture, agreement (written or oral), instrument or understanding or other obligation or restriction to which Hifyre, Newco or FFHC is a party or by which either is bound or (iv) any term or provision of any licenses, registrations or qualification of Hifyre, Newco or FFHC, or any Order, Applicable Law or Regulation, except in the case of (iii) and (iv) where such violation, breach or default would not reasonably be expected to materially adversely affect the ability of Hifyre, Newco, or FFHC to complete the transactions contemplated hereby.
- (e) Formation. Each of Hifyre, Newco and FFHC has been incorporated and validly exists under the laws of the jurisdiction of its incorporation and is in good standing under applicable corporate laws and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted.
- (f) Corporate Records. FFHC has filed all documents required to be filed by it in accordance with Applicable Laws and the applicable rules of the Exchange.
- (g) SEDAR Filings. FFHC has filed all forms, reports, documents and information required to be filed by it, whether pursuant to Applicable Laws or otherwise, with the applicable Securities Authorities (the "**Disclosure Documents**"). As of the time the Disclosure Documents were filed with the applicable Securities Authorities and on SEDAR (System for Electronic Document Analysis and Retrieval) (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (a) each of the Disclosure Documents complied in all material respects with the requirements of the Applicable Laws; and (b) none of the Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (h) No Actions. There are no Actions relating to Newco or FFHC, filed with any Governmental Authority against Hifyre, Newco, or FFHC by any Person or imposed by any Governmental Authority or, to the knowledge of Hifyre, threatened by any Person and which would reasonably be expected to materially adversely affect the ability of Hifyre, Newco, or FFHC to complete the transactions contemplated hereby.
- (i) Consents, Approvals, etc. Subject to obtaining the Exchange Approval, no consent, approval, Permit or Order of or filing with or from any Governmental Authority is required

by Hifyre, Newco, or FFHC in connection with (a) the execution and delivery by Hifyre, Newco and FFHC of this Agreement or any other agreements contemplated or referred to herein to which it is, or will be, a party, (b) the Closing of the transactions contemplated hereby or (c) the observance and performance by Hifyre, Newco or FFHC of its obligations under this Agreement and any such other agreements, except where the failure to obtain such consent, approval, Permit or Order or to make such filing would not reasonably be expected to materially adversely affect the ability of Newco to complete the transactions contemplated hereby.

- (j) Compliance with Applicable Law and Conduct of Business. Each of Hifyre, Newco and FFHC is qualified to carry on business in the jurisdictions in which it carries on its business. Each of Hifyre, Newco and FFHC has carried on its business(es) in compliance, in all material respects, with all Applicable Laws (including in respect of Taxes and payment thereof). Neither Hifyre, Newco, nor FFHC has received any written notice from any Governmental Authority regarding any actual, alleged, possible or potential violation of, or failure to comply with, any Applicable Law.
- (k) Bankruptcy and Insolvency. FFHC and its material subsidiaries are not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and FFHC has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect of it. FFHC has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver has been appointed in respect of FFHC, or any of its property or assets and no execution or distress has been levied upon any of such property or assets.
- (l) Broker's Fees. None of Hifyre, Newco nor FFHC has any liability or obligation to pay any broker, finder, agent or firm or other Person acting on behalf of any of Hifyre, Newco or FFHC in connection with the transactions contemplated by this Agreement.

## **ARTICLE 4 COVENANTS**

### **4.1 Covenants of Pineapple**

Pineapple covenants and agrees with Hifyre and FFHC as follows:

- (a) Exclusive Dealing. During the Interim Period, Pineapple shall not directly or indirectly in any manner (a) entertain, solicit or encourage, (b) furnish or cause to be furnished any information to any Persons (other than Hifyre, FFHC, Newco or their representatives) in connection with or (c) negotiate or otherwise pursue, any proposal or discussions for or in connection with any possible sale of any securities of Pineapple or of the Business (in whole or in part), no matter how structured, including by sale of all or any of Pineapple Common Shares held by any shareholder, subscription for shares of Pineapple, by sale or license of all or any significant part of the property and assets of Pineapple, or by any merger or other business combination involving Pineapple or otherwise.
- (b) Copy of Documents. Pineapple shall furnish promptly to Hifyre a copy of any dealings or communications with any Governmental Entity in connection with, or in any way affecting, the transactions contemplated by this Agreement.
- (c) Access to Information/Personnel. During the Interim Period, subject to any Applicable Law, any applicable privileges (including solicitor-client privilege) and contractual confidentiality obligations, upon reasonable prior notice, Pineapple shall:

- (i) afford to (or cause to be afforded to) Hifyre and its representatives reasonable access, during normal business hours, to the Books and Records, offices and properties of Pineapple;
- (ii) furnish (or cause to be furnished) to Hifyre such additional financial and operational data and other information regarding Pineapple and the Business as Hifyre may from time to time reasonably request; and
- (iii) make reasonably available (or cause to be made reasonably available) to Hifyre any Employees and independent contractors of Pineapple;

in each case, in connection with Hifyre's preparation to integrate the Business into the business and organization of Hifyre following Closing, in connection with the verification by Hifyre of any of the matters set forth in this Section 4.1, and any necessary background checks of Employees and independent contractors. Any such access or requests (i) shall be conducted in such a manner so as not to interfere in any material way with the Business and (ii) shall not contravene any Applicable Law.

- (d) Certain Actions Prohibited. Other than in contemplation of or as required to give effect to the transactions contemplated by this Agreement or as otherwise permitted pursuant to this Agreement, Pineapple shall not, without the prior written consent of Hifyre, which consent shall not be unreasonably withheld or delayed, directly or indirectly do or permit to occur any of the following prior to the Effective Date:
  - (i) issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on or agree to issue, sell, grant, pledge, lease, dispose of, or encumber or create any Encumbrance on any shares of Pineapple, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of Pineapple;
  - (ii) incur or commit to incur in any debt except in the ordinary and regular course of business, or to finance its working capital requirements, or as otherwise contemplated in connection with the transactions contemplated in this Agreement;
  - (iii) declare or pay any dividends or distribute any of its property or assets to shareholders with respect to the Pineapple Common Shares;
  - (iv) enter into any material contracts, other than in the ordinary and regular course of business, in connection with the Amalgamation or as otherwise contemplated herein;
  - (v) alter or amend its notice of articles or articles, other than as may be required in connection with the transactions contemplated herein;
  - (vi) engage in any business enterprise or other activity different from that carried on or contemplated as of the date hereof;
  - (vii) other than pursuant to the terms of property acquisitions or in the ordinary and regular course of business, sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its assets, except where to do so would not have a Material Adverse Effect;
  - (viii) redeem, purchase or offer to purchase any of Pineapple Common Shares;

- (ix) permit any of the Voting Trust Shares to be transferred, or authorize the transfer thereof; or
  - (x) acquire, directly or indirectly, any assets, including securities, of any Person.
- (e) Certain Actions. During the Interim Period, Pineapple shall:
- (i) not take any action, or refrain from taking any action or permit any action to be taken or not taken (subject to a commercially reasonable efforts qualification), inconsistent with the provisions of this Agreement or that would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by Pineapple in this Agreement untrue or inaccurate in any material respect at any time on or before the Effective Date if then made or that would or could have a Material Adverse Effect;
  - (ii) promptly notify Hifyre of:
    - (A) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect;
    - (B) any material Governmental Entity or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated);
    - (C) any breach by Pineapple of any covenant or agreement contained in this Agreement; and
    - (D) any event occurring subsequent to the date hereof that would render any representation or warranty of Pineapple contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect;
  - (iii) use reasonable commercial efforts to retain the services of, and preserve the relationship of Pineapple with, the Key Employees;
  - (iv) maintain in good standing all Permits currently held and continue to diligently pursue receipt of all necessary Permits required for the operation of the Business;
  - (v) file with the appropriate Governmental Authority, within the prescribed time, all Tax Returns for periods ending prior to or with the Closing, in a manner consistent with past practice, unless otherwise required by law and, prior to filing such returns with such Governmental Authority, shall provide a copy to Hifyre for review and comment at least 30 days prior to the date on which the Tax Return is to be timely filed. All such Tax Returns so prepared by or for Pineapple shall be true, correct and complete;
  - (vi) to the extent that Hifyre identifies consents that ought to have been obtained, or notices that ought to have been sent, prior to the closing of the transactions contemplated by this Agreement, promptly obtain such consent(s) or send such notice(s), in each case to Hifyre's reasonable satisfaction; and

- (vii) to the extent not contemplated by the Debt Repayment, Adjustment and Earn-Out Agreement, promptly arrange for discharge of any Encumbrances or security interests registered against Pineapple in connection with Indebtedness.
- (f) Satisfaction of Conditions. Pineapple shall use commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all Applicable Law to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:
  - (i) obtain the Pineapple Shareholder Approval in accordance with the provisions of the CBCA and the requirements of any applicable regulatory authority;
  - (ii) obtain all other consents, approvals and authorizations as are required to be obtained by Pineapple under any Applicable Law or from any Governmental Entity;
  - (iii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated by this Agreement and participate and appear in any proceedings of any Party before any Governmental Entity;
  - (iv) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to enjoin or delay, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated hereby, subject to the Pineapple Board determining in good faith after receiving advice from outside legal counsel (which may include written opinions or advice) that taking such action would be inconsistent with the fiduciary duties of such directors under Applicable Law, and provided that, immediately upon receipt of such advice, Pineapple advises Hifyre in writing that it has received such advice and provides written details thereof to Hifyre;
  - (v) fulfill all conditions and satisfy all provisions of this Agreement and the Amalgamation required to be fulfilled or satisfied by Pineapple; and
  - (vi) co-operate with Hifyre in connection with the performance by it of its obligations hereunder, provided however that the foregoing shall not be construed to obligate Pineapple to pay or cause to be paid any monies to cause such performance to occur, other than as contemplated in this Agreement.
- (g) Keep Fully Informed. Subject to Applicable Law, Pineapple shall conduct itself so as to keep Hifyre fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business.
- (h) Co-operation. Pineapple shall make, or cooperate as necessary in the making of, all necessary filings and applications under all Applicable Law required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Applicable Law.
- (i) Representations. Pineapple shall conduct its affairs so that all of the representations and warranties of Pineapple contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.



- (j) Closing Documents. Pineapple shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, resolutions, and other closing documents as may be required by Hifyre, all in form satisfactory to Hifyre, acting reasonably.

#### 4.2 Covenants of FFHC and Hifyre

FFHC and Hifyre (as applicable) hereby covenant and agree with Pineapple as follows:

- (a) Exchange Approval. Forthwith following the obtaining of the Pineapple Shareholder Approval, FFHC shall use its reasonable commercial efforts to seek the Exchange Approval (if not already sought).
- (b) Certain Actions. During the Interim Period none of Hifyre, Newco nor FFHC shall take any action, or refrain from taking any action, or permit any action to be taken or not taken (subject to a commercially reasonable efforts qualifications herein contained), inconsistent with the provisions of this Agreement or that would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by Hifyre or FFHC in this Agreement untrue or inaccurate in any material respect at any time on or before the Effective Date if then made.
- (c) Co-operation. Each of Hifyre, Newco and FFHC (as applicable) shall co-operate with Pineapple in connection with the performance by it of its obligations hereunder, provided however that this provision shall not be construed to obligate Hifyre, Newco or FFHC to pay or cause to be paid any monies to cause such performance to occur, other than as contemplated in this Agreement
- (d) Satisfaction of Conditions. Each of Hifyre and FFHC shall use commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things reasonably necessary to complete the transactions contemplated by this Agreement.
- (e) Co-operation. Hifyre shall make, or cooperate as necessary in the making of, all necessary filings and applications under all Applicable Law required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such law.
- (f) Representations. Hifyre shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of Hifyre contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (g) Closing Documents. Hifyre shall execute and deliver, or cause to be executed and delivered, at or before e the Effective Date, such customary agreements, certificates, resolutions and other closing documents as may be required by Pineapple, all in form satisfactory Pineapple, acting reasonably.
- (h) Shares. Subject to Section 2.2(g), FFHC will issue, at the Effective Time, FFHC Shares, in accordance with the terms hereof and the terms of the Debt Repayment, Adjustment and Earn-Out Agreement, to those Pineapple Shareholders who are entitled to receive FFHC Shares pursuant to the Amalgamation.
- (i) Incorporation of Newco. Within five (5) Business Days following the date of this Agreement, Hifyre shall cause Newco to be incorporated.

#### 4.3 Mutual Covenants

- (a) Completion of Amalgamation. Each of the Hifyre, Newco and Pineapple agrees that, it shall complete the Amalgamation on the date that is seven (7) Business Days following the later of (i) obtaining of the Pineapple Shareholder Approval, (ii) the obtaining of the Exchange Approval, and (iii) the satisfaction or waiver of all conditions contained in this Agreement, or such other date as the Parties may mutually agree to in writing, provided such other date is prior to the Completion Deadline.
- (b) Public Statements. Except for any public disclosure that any Party in good faith believes is required by any Applicable Law (in which case, if practicable, the disclosing party will give the other Parties an opportunity to review and comment upon such disclosure before it is made), prior to the Effective Date, no Party will make any public disclosure, announcement or press release concerning this Agreement or the transaction contemplated by this Agreement without the prior written consent of the other Parties. After the Effective Date, FFHC will be permitted, in its reasonable discretion, to make a public disclosure, announcement and press release concerning Hifyre's acquisition of the Business consistent with FFHC's disclosures, announcements and press release in connection with prior acquisitions.
- (c) Required Documents. Promptly following the date of this Agreement, the Parties, each acting reasonably and in good faith, agree to work together to settle the Required Documents prior to the Effective Date.

### ARTICLE 5 CONDITIONS

#### 5.1 Mutual Conditions

The respective obligations of the Parties to complete the transactions contemplated herein are subject to the fulfillment of the following conditions at or before the Effective Time or such other time as is specified below:

- (a) the Pineapple Shareholder Approval shall have been obtained in accordance with the provisions of the CBCA and the requirements of any applicable Governmental Authority;
- (b) Hifyre, as the sole holder of Newco Shares, shall have signed the Newco Resolution;
- (c) each of the Pineapple Board, the Hifyre Board and Newco shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Pineapple and Hifyre to permit the consummation of the Amalgamation and all other matters contemplated in this Agreement;
- (d) All material third-party consents and approvals required to conclude the transactions contemplated by this Agreement, including any consents required in connection with the change of control of the Pineapple;
- (e) the distribution of the FFHC Shares pursuant to the Amalgamation shall be exempt from prospectus and registration requirements under Applicable Law; and
- (f) the Required Documents shall have been settled prior to the Effective Date.

The foregoing conditions are for the mutual benefit of the Parties and may be waived by mutual consent of Parties in writing at any time. No such waiver shall be of any effect unless it is in writing signed by all Parties. If any of such conditions shall not be complied with or waived as aforesaid on or before the Completion

Deadline or, if earlier, the date required for the performance thereof, then any Party may terminate this Agreement by written notice to the other Parties in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such terminating Party.

## **5.2 Conditions in Favour of Pineapple**

The obligation of Pineapple to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- (a) the representations and warranties made by Hifyre and FFHC in this Agreement shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date);
- (b) Hifyre and FFHC shall have complied with its covenants herein;
- (c) Each of the Hifyre Board and the board of directors of FFHC shall have adopted all necessary resolutions and all other necessary action shall have been taken by Hifyre and FFHC to permit the consummation of transactions contemplated by this Agreement;
- (d) Newco (or Pineapple with the consent of Hifyre) shall have entered into employment agreements with all Key Employees, to be effective immediately following the Effective Time, on commercially reasonable terms and conditions, and a reasonably sufficient number of Employees shall be employed by Amalco immediately following the Effective Time to permit the continued operation of the Business as previously conducted by Pineapple as of the date hereof;
- (e) Hifyre shall have delivered, or caused to be delivered, to Pineapple at or prior to the Effective Date, the following:
  - (i) a certificate signed by a duly authorized officer of Hifyre dated the Effective Date certifying that: (i) attached to such certificate is a true and complete copy of: (A) the Hifyre Board resolutions authorizing the transactions contemplated by this Agreement, and (C) a certificate of status of Hifyre, FFHC and Newco as of a date reasonably close to the Effective Date, and (ii) the conditions set forth in Sections 5.2(a), 5.2(b), 5.2(c) and 5.2(d) have been satisfied;
  - (ii) Hifyre, FFHC, the Shareholder Nominees (as defined in Schedule A) and the Escrow Agent shall have executed and delivered the Holdback and Escrow Agreement;
  - (iii) Hifyre, FFHC, Pineapple and the Shareholder Nominees (as defined in Schedule A) shall have executed and delivered the Debt Repayment, Adjustment and Earn-Out Agreement;
  - (iv) Hifyre, FFHC and Newco shall have delivered such other documentation and evidence as is reasonably requested by Pineapple in order to effectively implement the transactions contemplated by this Agreement.

The foregoing conditions are for the benefit of Pineapple and may be waived, in whole or in part, by Pineapple in writing at any time. No such waiver shall be of any effect unless it is in writing signed by Pineapple. If any of such conditions shall not be complied with or waived by Pineapple on or before the Effective Date or, if earlier, the date required for the performance thereof, then Pineapple may terminate this Agreement by written notice to Hifyre and Newco in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Pineapple.

### 5.3 Conditions in Favour of Hifyre, FFHC and Newco

The obligation of Hifyre, FFHC, and Newco to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- (a) Hifyre shall be satisfied with its due diligence investigations in respect of Pineapple within five (5) Business Days following the date of this Agreement;
- (b) Pineapple will have delivered the Pineapple Disclosure Schedule to Hifyre and Hifyre shall be satisfied with the disclosure therein, in its sole discretion, within five (5) Business Days of delivery of the Pineapple Disclosure Schedule;
- (c) the Amalgamation shall have been conditionally approved by the Exchange, and the Exchange shall have conditionally approved for listing on the Exchange all of the FFHC Shares issuable to Pineapple Shareholders pursuant to the Amalgamation on terms and conditions acceptable to FFHC (the “**Exchange Approval**”);
- (d) the representations and warranties made by Pineapple in this Agreement shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date);
- (e) Pineapple shall have complied with its respective covenants herein;
- (f) from the date of this Agreement to and including the Effective Date, there shall not have occurred a Material Adverse Change;
- (g) Pineapple Common Shares held by Dissenting Shareholders who have validly exercised Dissent Rights in respect of the Amalgamation shall not exceed more than 7.5% of all of the outstanding Pineapple Common Shares as at the Effective time;
- (h) the Pineapple Board shall have adopted all necessary resolutions and all other necessary action shall have been taken by Pineapple to permit the consummation of the transactions contemplated by this Agreement;
- (i) Newco (or Pineapple with the consent of Hifyre) shall have entered into employment agreements with all Key Employees, to be effective immediately following the Effective Time, on commercially reasonable terms and conditions, and a reasonably sufficient number of Employees shall be employed by Amalco immediately following the Effective Time to permit the continued operation of the Business as previously conducted by Pineapple as of the date hereof;
- (j) all material Permits shall be held by Pineapple and shall be in full force and effect;
- (k) Pineapple and certain shareholders of Pineapple shall have delivered, or caused to be delivered, to Hifyre at or prior to the Effective Date, the following:
  - (i) a certificate signed a duly authorized officer of Pineapple dated the Effective Date certifying that: (i) attached to such certificate is a true and complete copy of (A) the articles of incorporation (or similar documents) of Pineapple, (B) board and shareholder resolutions of Pineapple authorizing the transactions contemplated by this Agreement, (C) a certificate of status of Pineapple as of a date reasonably close to the Effective Date, and (ii) the conditions set forth in Sections 5.3(a), 5.3(d), 5.3(e), 5.3(f) and 5.3(g) have been satisfied;

- (ii) Pineapple and certain shareholders of Pineapple shall have executed and delivered the Holdback and Escrow Agreement;
- (iii) Pineapple shall have executed and delivered the Debt Repayment, Adjustment and Earn-Out Agreement;
- (iv) Hifyre shall have received a copy of the Books and Records of Pineapple;
- (v) Pineapple shall have delivered such other documentation and evidence as is reasonably requested by FFHC in order to effectively implement the transactions contemplated by this Agreement.

The foregoing conditions are for the benefit of Hifyre, FFHC, and Newco and may be waived, in whole or in part, by Hifyre, FFHC, and Newco in writing at any time. No such waiver shall be of any effect unless it is in writing signed by Hifyre, FFHC, and Newco. If any of such conditions shall not be complied with or waived by Hifyre, FFHC, and Newco on or before the Effective Date or, if earlier, the date required for the performance thereof, then any of Hifyre, FFHC, and Newco may terminate this Agreement by written notice to Pineapple, in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Hifyre, FFHC, or Newco.

#### **5.4 Merger of Conditions**

If the Amalgamation occurs, then notwithstanding any other provision of this Agreement, the conditions set out in Section 5.1, 5.2 or 5.3 shall be conclusively deemed to have been satisfied or waived.

### **ARTICLE 6 AMENDMENT AND TERMINATION**

#### **6.1 Amendment**

This Agreement may, at any time and from time to time before or after the receipt of the Pineapple Shareholder Approval and the execution of the Newco Resolution be amended by mutual written agreement of the Parties without, subject to Applicable Law, further notice to or authorization on the part of the Pineapple Shareholders and any such amendment may, without limitation:

- (a) change the time for the performance of any of the obligations or acts of any of the Parties;
- (b) waive any inaccuracies in or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify the performance of any of the obligations of any of the Parties; and
- (d) waive compliance with or modify any condition herein contained;

provided, however, that notwithstanding the foregoing, following the receipt of the Pineapple Shareholder Approval, the exchange ratio for the FFHC Shares to be issued in exchange for Pineapple Common Shares shall not be amended without the approval of the Pineapple Shareholders given in the same manner as required for the approval of the Amalgamation.

#### **6.2 Termination**

This Agreement may be terminated at any time prior to the Effective Time:

- (a) by mutual written agreement of the Parties;
- (b) by Pineapple, on the one hand, or by Hifyre, FFHC, and Newco, on the other hand, if any of the conditions in Section 5.1 for the benefit of the terminating Parties is not satisfied or waived in accordance with such Section 5.1;
- (c) by Pineapple, if any condition in Section 5.2 is not satisfied or waived in accordance with such section;
- (d) by Hifyre, FFHC, and Newco, if any condition in Section 5.3 is not satisfied or waived in accordance with such section; or
- (e) by Hifyre, FFHC, Newco, or Pineapple if the Amalgamation shall not have been completed by the Completion Deadline;

provided that any termination by a Party in accordance with the paragraphs above shall be made by such Party or Parties delivering written notice thereof to the other Party or Parties prior to the earlier of the Effective Date and the Completion Deadline and specifying therein in reasonable detail the matter or matters giving rise to such termination right.

## **ARTICLE 7 VOTING TRUST AGREEMENTS**

### **7.1 WCE Covenants, Representations and Warranties**

WCE covenants, represents and warrants to Hifyre and FFHC, and hereby acknowledges that each of Hifyre and FFHC is relying upon such covenants, representations and warranties in connection with entering into this Agreement and agreeing to complete the Amalgamation, as follows:

- (a) WCE has the legal capacity, power, authority and right to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) This Agreement is, at the time it is entered into, is a legal, valid and binding obligation of WCE and enforceable against it in accordance with its terms;
- (c) The Voting Trust Agreements constitute valid and binding obligations of the parties thereto, enforceable against such parties in accordance with their respective terms, provided that enforceability may be limited by applicable bankruptcy, insolvency, winding-up, reorganization, arrangement, moratorium or other laws affecting creditor rights generally;
- (d) The Voting Trust Shares, together, represent at least 67% of the outstanding Pineapple Common Shares;
- (e) Pursuant to the Voting Trust Agreements, WCE exercises control or direction over, and at the Effective Time, and at all times between the date hereof and the Effective Time, shall exercise control or direction over, all of the Voting Trust Shares, subject to the express terms of the Voting Trust Agreements;
- (f) WCE shall cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) all of the Voting Trust Shares:
  - (i) at any meeting of any of the securityholders of Pineapple at which the Pineapple Shares are entitled to vote, including the Pineapple Meeting; and

- (ii) in any action by written consent of the securityholders of Pineapple, in favour of the approval, consent, ratification and adoption of the Amalgamation and the transactions contemplated by this Agreement (and any actions required for the consummation of the transactions contemplated by this Agreement);

in favour of the approval, consent, ratification and adoption of the resolution in respect of the Amalgamation (and any actions required for the consummation of the transactions contemplated by this Agreement). In connection with the foregoing, WCE hereby agrees to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of the Voting Trust Shares as soon as practicable following the mailing of the materials in connection with the meeting of Pineapple Shareholders (including the Pineapple Meeting) and in any event at least 7 calendar days prior to such meeting, voting all such Voting Trust Shares in favour of the Amalgamation and any resolutions approving, consenting to, ratifying or adopting the transactions contemplated by this Agreement (and any actions required for the consummation of the transactions contemplated by the Agreement). WCE hereby agrees that it will not take, nor permit any Person on its behalf to take, any action to withdraw, revoke, amend or invalidate any proxy or voting instruction form deposited pursuant to this Agreement notwithstanding any statutory or other rights or otherwise which WCE might have unless this Agreement has at such time been previously terminated in accordance with the terms hereof. WCE will provide copies of each such proxy or voting instruction form referred to above to Hifyre concurrently with its delivery as provided for above.

- (g) WCE shall cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) all of the Voting Trust Shares against any proposed action by Pineapple, any shareholder of Pineapple, or any other Person: (i) in respect of any acquisition proposal or other merger, take-over bid, amalgamation, plan of arrangement, business combination, reorganization, recapitalization, dissolution, liquidation, winding up or similar transaction involving Pineapple that requires the approval of the shareholders of Pineapple (each an "**Acquisition Proposal**"), other than the Amalgamation (and any actions required for the consummation of the transactions contemplated by this Agreement); (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Amalgamation, including any amendment to the articles or by-laws of Pineapple or its corporate structures or capitalization; or (iii) any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of Pineapple under this Agreement.
- (h) WCE undertakes and agrees, in the event that any transaction for the proposed acquisition of at least a majority of the Pineapple Shares, where such transaction requires the approval of the Pineapple Shareholders under Applicable Laws, other than the Amalgamation, is presented prior to the Effective Time for approval of, or acceptance by, the Pineapple Shareholder, whether or not it may be recommended by the board of directors of Pineapple, not to directly or indirectly, accept, assist or otherwise further the successful completion of such transaction or purport to tender or deposit into any such transaction any of the Voting Trust Shares.
- (i) WCE will not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
  - (i) solicit proxies or become a participant in a solicitation in opposition to or competition with Hifyre in connection with the Amalgamation;
  - (ii) assist any Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit Hifyre or any of its subsidiaries in connection with the Amalgamation;

- (iii) act jointly or in concert with others with respect to voting securities of Pineapple for the purpose of opposing or competing with Hifyre or any of its subsidiaries in connection with the Amalgamation;
  - (iv) solicit, initiate, encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of Pineapple or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
  - (v) participate in any discussions or negotiations with any Person (other than Hifyre and FFHC) regarding any inquiry, proposal or offer that constitutes or would reasonably be expected to constitute or lead to an Acquisition Proposal;
  - (vi) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement, arrangement or understanding regarding any Acquisition Proposal; or
  - (vii) cooperate in any way with, assist or participate in, knowingly encourage or otherwise facilitate or encourage any effort or attempt by any other Person to do or seek to do any of the foregoing.
- (j) WCE will not (i) exercise any dissent rights in respect of the Amalgamation, (ii) contest in any way the approval of the Amalgamation; or (iii) take any other action of any kind, in each case which would reasonably be regarded as likely to reduce the success of, or materially delay or interfere with the completion of, the Amalgamation.

## **ARTICLE 8 GENERAL**

### **8.1 Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party shall be in writing and shall be delivered by hand to the Party to which the notice is to be given at the following address or sent by email transmission to the following numbers or to such other address, facsimile number or email address as shall be specified by a Party hereto by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by email be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 5:00 p.m. (local time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the Parties shall be as follows:

- (a) if to Hifyre, FFHC, Newco, or Amalco:

Addresses and emails  
have been redacted

[REDACTED]  
Attention: Matthew Anderson  
Email: [REDACTED]

with a copy to:

Dentons Canada LLP  
[REDACTED]



[REDACTED]  
Attention: Eric Foster

Email: [REDACTED]

(b) if to Pineapple:

Pineapple Express Delivery Inc.  
[REDACTED]

Email: [REDACTED]

with a copy to:

Cassels Brock & Blackwell LLP  
[REDACTED]

Attention: Jeff Durno

Email: [REDACTED]

## 8.2 Remedies

The Parties acknowledge and agree that an award of money damages may be inadequate for any breach of this Agreement by any Party or its representatives and advisors and that such breach may cause the non-breaching Party irreparable harm. Accordingly, the Parties agree that, in the event of any such breach or threatened breach of this Agreement by one of the Parties, Pineapple (if Hifyre, FFHC, or Newco is the breaching Party) or Hifyre, FFHC or Amalco (if Pineapple is the breaching Party) will be entitled, without the requirement of posting a bond or other security, to seek equitable relief, including injunctive relief and specific performance. Subject to any other provision hereof, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available hereunder or at law or in equity to each of the Parties.

## 8.3 Expenses

The Parties agree that each party shall pay for its costs incurred in connection with this Agreement and the transactions contemplated hereby, including legal and accounting fees, printing costs, financial advisor fees and all disbursements by advisors, shall be paid by the Party incurring such expense and that nothing in this Agreement shall be construed so as to prevent the payment of such expenses, whether or not the Amalgamation is completed. The provisions of this Section 8.3 shall survive the termination of this Agreement.

## 8.4 Time of the Essence

Time shall be of the essence in this Agreement.

## 8.5 Entire Agreement

This Agreement, the Holdback and Escrow Agreement and the Debt Repayment, Adjustment and Earn-Out Agreement, together with the agreements and other documents herein or therein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof and thereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof and thereof. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein and therein.

## **8.6 Further Assurances**

Each Party shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Amalgamation.

## **8.7 Governing Law**

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario. The Parties irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

## **8.8 Counterparts**

This Agreement may be executed in as many counterparts as are deemed necessary, and when so executed in counterpart shall have the same effect as if each Party had joined in executing one and the same document. This Agreement, including any counterparts, may be executed by electronic means.

## **8.9 Waiver**

No waiver or release by any Party shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

## **8.10 Enurement and Assignment**

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, legal representatives, successors and permitted assigns (as applicable). This Agreement may not be assigned by any Party without the prior written consent of the other Parties.

*[Remainder of this page intentionally left blank. Signature page follows.]*

**IN WITNESS WHEREOF**, the Parties have executed this Agreement.

**FIRE & FLOWER HOLDINGS CORP.**

Per:           *"Trevor Fencott"*            
Name: Trevor Fencott  
Title: Chief Executive Officer

**HIFYRE INC.**

Per:           *"Trevor Fencott"*            
Name: Trevor Fencott  
Title: Chief Executive Officer

**HIFYRE INC. ON BEHALF OF COMPANY TO  
BE INCORPORATED**

Per:           *"Trevor Fencott"*            
Name: Trevor Fencott  
Title: Chief Executive Officer

**PINEAPPLE EXPRESS DELIVERY INC.**

Per:           *"Randy Rolph"*            
Name: Randy Rolph  
Title: Chief Executive Officer

**WORLD CLASS EXTRACTIONS INC.**

Per:           *"Rosy Mondin"*            
Name: Rosy Mondin  
Title: Chief Executive Officer

## SCHEDULE A

### MATERIAL TERMS RE: DEBT REPAYMENT, ADJUSTMENT AND EARN-OUT AGREEMENT

#### 1. Interpretation

In this Schedule, in addition to other terms defined herein:

**“Current Assets”** means cash, accounts receivable, inventories and prepaid expenses and deposits of Pineapple defined as current in accordance with IFRS as at the Effective Time, but excludes (a) related party receivables, (b) the portion of any accounts receivable that have been outstanding longer than 100 days, (c) the portion of any prepaid expense of which Amalco will not receive the benefit following the Effective Time, and (d) Tax assets.

**“Current Liabilities”** means accounts payable, employee withholdings and deductions at source, accrued taxes, accrued expenses and all other current liabilities of Pineapple defined as current in accordance with IFRS as at the Effective Time, but excludes (a) deferred Tax liabilities, (b) Indebtedness, (c) related party payables, (d) accounts payable and accrued liabilities relating to the period prior to the Effective Time (other than Taxes payable in respect of HST), (e) the current portion of all lease liabilities, (f) any Transaction Expenses and (g) any payables by Pineapple to any directors, employees, officers or shareholders, other than employer liabilities for employee benefits, wages, commissions and other liabilities incurred in the ordinary course of business, relating to the period prior to the Effective Time.

**“Deemed Share Price”** means the 10 day volume weighted average price of the FFHC Shares on the Exchange as of the day immediately preceding public announcement of the transactions contemplated by this Agreement by FFHC.

**“Effective Date Net Working Capital”** means an amount equal to (i) the Current Assets of Pineapple as of the Effective Time, minus (ii) the Current Liabilities of Pineapple as of the Effective Time; in each of the foregoing cases calculated in accordance with IFRS and in accordance with the example set forth on the Net Working Capital schedule to be appended to the Debt Repayment, Adjustment and Earn-Out Agreement (the **“Net Working Capital Schedule”**).

**“Earn-Out Period”** means the quarterly periods commencing at 12:00 a.m. on January 1, 2022 and expiring at 11:59 p.m. on September 30, 2022.

**“Earn-Out Target”** means a Trailing Nine Month Revenue for the Earn-Out Period of \$8,098,231.

**“Shareholder Nominees”** means collectively, Rosy Mondin and Michael Galloro, who shall be parties to the Debt Repayment, Adjustment and Earn-Out Agreement as nominees for the Shareholder for the purposes of such Agreement.

**“Target Working Capital”** means \$100,000, as calculated in accordance with the example set forth on the Net Working Capital Schedule.

**“Trailing Nine Month Revenue”** means, as of a given date, revenue, in accordance with IFRS, earned from the Business in the immediately preceding three-month period, excluding any intercompany revenue derived from Affiliates.

**“Transaction Expenses”** means, without duplication, to the extent not paid prior to the Effective Date, the amount of (i) all fees costs and expenses of legal counsel, financial advisors, accountants, investment bankers or other representatives and consultants; appraisal fees, costs and expenses; and travel, lodging, entertainment and associated expenses incurred prior to or by reason of the completion of the transactions contemplated by this Agreement. (ii) any bonuses, change of control payments, management fees or severance, in each case in respect of a period prior to or including the Effective Date, payable by the Shareholders or Pineapple at the Effective Date, (iii) all fees payable by the Shareholders or Pineapple to any Affiliate or related party in connection with this

Agreement or the transactions contemplated hereby, and (iv) the employer portion of any employment, payroll or similar Taxes resulting from the payment of any amounts in connection with this Agreement.

**“Working Capital Adjustment Amount”** means the amount by which Effective Date Net Working Capital exceeds or is less than Target Working Capital.

## 2. Cash Payments

On the Effective Date:

- (a) an amount up to a maximum of \$5,300,000, equal to the outstanding Indebtedness of Pineapple as of the Effective Date, reasonable evidence of which is to be delivered to Hifyre no less than two Business Days prior to the Effective Date, by way of cash (the **“Effective Date Cash Indebtedness Payment”**) to be paid on the Effective Date, which shall be used solely to repay all Indebtedness of Pineapple, including outstanding principal and accrued but unpaid interest thereon, as of the Effective Date; and
- (b) an amount equal to \$11,700,000 (the **“Aggregate Consideration Amount”**), less the Effective Date Cash Indebtedness Payment, by way of issuance of FFHC Shares having such value (the **“Consideration Shares”**);

provided that:

- (i) 25% of the Consideration Shares (the **“Initial Release”**) shall be released to the Shareholders on the Effective Date, subject further to section 2.2(g) of the Amalgamation Agreement;
- (ii) \$300,000 of the Consideration Shares (the **“Working Capital Holdback Shares”**) will be held in trust by the Escrow Agent, until such time as the Effective Date Net Working Capital is finalized and agreed upon; and
- (iii) The remainder of the Consideration Shares remaining after subtracting the Initial Release and the Working Capital Holdback Shares (the **“Revenue Holdback Shares”**) will be held in trust by the Escrow Agent pursuant to Section 4 below.

At least three (3) Business Days prior to the Effective Date, Pineapple shall deliver a direction (the **“Repayment of Indebtedness Direction”**) to Hifyre, in a form acceptable to the Hifyre, instructing the Hifyre to pay, or cause to be paid or delivered, as applicable, on the Effective Date cash by way of wire or electronic transfer of immediately available funds to such bank account or accounts specified in writing by Pineapple (or such other means as may be agreed to by Hifyre and Pineapple) to the creditors of Pineapple an amount equal to the Effective Date Cash Indebtedness Payment, allocated in accordance with the amount of Indebtedness owing to each such creditor.

On the Effective Date, FFHC shall deliver the Treasury Order evidencing issuance of the Consideration Shares to the Escrow Agent, with the number of Consideration Shares set out above to be held and distributed by the Escrow Agent pursuant to and in accordance with the terms of the Holdback and Escrow Agreement.

## 3. Working Capital Adjustment

- (a) Within 90 days after the Effective Date, Hifyre shall prepare and deliver to the Shareholder Nominees a certificate, executed by Hifyre, setting forth a balance sheet of Pineapple and a calculation of Effective Date Net Working Capital, each as of the Effective Date, together with a calculation of the resulting Working Capital Adjustment Amount (the **“Effective Date Net Working Capital Statement”**), which will be substantially in the form set out on the Net Working Capital Schedule.

- (b) After receipt of the Effective Date Net Working Capital Statement, the Shareholder Nominees shall have 15 Business Days (the “**Review Period**”) to review the Effective Date Net Working Capital Statement. During the Review Period, the Shareholder Nominees and their accountant shall have access during regular business hours to the books and records of Pineapple and the personnel of, and work papers prepared by, Hifyre or Hifyre’s accountant(s), or both, to the extent reasonably required and to the extent that they relate to the Effective Date Net Working Capital Statement.
- (c) On or before the last day of the Review Period, the Shareholder Nominees may object to the Effective Date Net Working Capital Statement by delivering to Hifyre a written statement setting forth the Shareholder Nominees’ objections in reasonable detail, indicating each disputed item or amount and the basis for the Shareholder Nominees’ disagreement therewith (the “**Statement of Objections**”). If the Shareholder Nominees fail to deliver the Statement of Objections before the expiration of the Review Period, the Effective Date Net Working Capital Statement and the Working Capital Adjustment Amount, as the case may be, reflected in the Effective Date Net Working Capital Statement shall be deemed to have been accepted by the Shareholder Nominees. If the Shareholder Nominees deliver the Statement of Objections before the expiration of the Review Period, Hifyre and the Shareholder Nominees shall negotiate to resolve such objections within 20 Business Days after the delivery of the Statement of Objections (the “**Resolution Period**”), and, if the same are so resolved within the Resolution Period, the Working Capital Adjustment Amount and the Effective Date Net Working Capital Statement with such changes as may have been previously agreed in writing by Hifyre and the Shareholder Nominees, shall be final and binding.
- (d) If the Shareholder Nominees and Hifyre fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute (“**Disputed Amounts**”) shall be submitted for resolution to the Independent Accountant who, acting as an expert and not as an arbitrator, shall resolve the Disputed Amounts only and make any adjustments to the Working Capital Adjustment Amount, as the case may be, and the Effective Date Net Working Capital Statement as a consequence of such resolution. The “Independent Accountant” shall be an accounting firm selected by mutual agreement of Hifyre and the Shareholder Nominees, that is not at the time it is to be engaged hereunder rendering services to any party, or any Affiliate of any party. The parties agree that all adjustments shall be made without regard to materiality. The Independent Accountant shall only decide the specific items under dispute by the parties and its decision for each Disputed Amount must be within the range of values assigned to each such item in the Effective Date Net Working Capital Statement and the Statement of Objections, respectively. The fees and expenses of the Independent Accountant shall be paid by the Shareholders, on the one hand (as a reduction in the number of Consideration Shares in escrow), and by Hifyre, on the other hand, based upon the percentage that the amount actually contested but not awarded to the Shareholder Nominees or Hifyre, respectively, bears to the aggregate amount actually contested by the Shareholder Nominees and Hifyre. The Independent Accountant shall make a determination as soon as practicable within 20 Business Days (or such other time as the parties shall agree in writing) after its engagement, and its resolution of the Disputed Amounts and its adjustments made as a consequence of such resolution to the Effective Date Net Working Capital Statement and the Working Capital Adjustment Amount shall be conclusive and binding upon the parties.
- (e) If the Working Capital Adjustment Amount is a positive dollar amount (e.g. the Effective Date Net Working Capital is greater than the Target Working Capital), the

Aggregate Consideration Amount shall be increased, dollar for dollar, by the Working Capital Adjustment Amount, and, within five (5) Business Days after final determination of the Working Capital Adjustment Amount (i) Hifyre, FFHC and the Shareholder Nominees shall jointly direct the Escrow Agent to release the Working Capital Holdback Shares to the Shareholders in accordance with their pro rata share and (ii) FFHC shall issue to the Shareholders, in accordance with their pro rata share, such aggregate number of additional FFHC Shares as is equal to the Working Capital Adjustment Amount divided by the Deemed Share Price (without interest).

- (f) If the Working Capital Adjustment Amount is a negative dollar amount (e.g. the Effective Date Net Working Capital is less than the Target Working Capital), the Aggregate Consideration Amount shall be decreased, dollar for dollar, by the Working Capital Adjustment Amount, and, within five (5) Business Days after final determination of the Working Capital Adjustment Amount (i) FFHC and the Shareholder Nominees shall jointly direct the Escrow Agent to transfer to FFHC for cancellation such number of Working Capital Holdback Shares as is equal to the Working Capital Adjustment Amount divided by the Deemed Share Price (without interest), provided that if the number of shares calculated by dividing the Working Capital Adjustment Amount by the Deemed Share Price exceeds the amount of Working Capital Holdback Shares, the difference shall be settled by accessing the Revenue Holdback Shares for cancellation in the same manner as set forth above, and (ii) Hifyre, FFHC and the Shareholder Nominees shall jointly direct the Escrow Agent to release the remaining Working Capital Holdback Shares (if any) to the Shareholders in accordance with their pro rata share.
- (g) If Hifyre becomes aware of previously unknown liabilities after conclusion of the Review Period and prior to the release of all Consideration Shares from escrow as provided for herein, then Hifyre and the Shareholder Nominees shall follow the process set out in Section 3(c) and (d) above, *mutatis mutandis*.
- (g) Any payments made pursuant to this Section shall be treated as an adjustment to the Aggregate Consideration Amount.

#### 4. Revenue Adjustment

- (a) Within 30 days after the end of Earn-Out Period, Hifyre shall prepare and deliver to the Shareholder Nominees an income statement, prepared in accordance with IFRS, and a calculation of Trailing Nine Month Revenue (the “**Revenue Statement**”).
- (b) After receipt of the Revenue Statement, the Shareholder Nominees shall have a Review Period to review the Revenue Statement. During such Review Period, the Shareholder Nominees and their accountant shall have access during regular business hours to the books and records of Pineapple and the personnel of, and work papers prepared by, Hifyre or Hifyre’s accountants, or both, to the extent reasonably required and to the extent that they relate to the Revenue Statement.
- (c) On or before the last day of the Review Period, the Shareholder Nominees may object to the Revenue Statement by delivering to Hifyre a statement of objections (the “**Revenue Statement of Objections**”). If the Shareholder Nominees fail to deliver the Revenue Statement of Objections before the expiration of the Review Period, the Trailing Nine Month Revenue reflected in the Revenue Statement shall be deemed to have been accepted by the Shareholder Nominees. If the Shareholder Nominees deliver the Revenue Statement of Objections before the expiration of the Review Period, Hifyre and the Shareholder Nominees shall negotiate to resolve such objections within a Resolution Period, and, if the same

are so resolved within the Resolution Period, the Trailing Nine Month Revenue and the Revenue Statement with such changes as may have been previously agreed in writing by Hifyre and the Shareholder Nominees, shall be final and binding.

- (d) If the Shareholder Nominees and Hifyre fail to reach an agreement with respect to all of the matters set forth in the Revenue Statement of Objections before expiration of Resolution Period, the Disputed Amounts shall be submitted for resolution to the Independent Accountant who, acting as an expert and not as an arbitrator, shall resolve the Disputed Amounts only and make any adjustments to the Trailing Nine Month Revenue and the Revenue Statement as a consequence of such resolution. The parties agree that all adjustments shall be made without regard to materiality. The Independent Accountant shall only decide the specific items under dispute by the parties and its decision for each Disputed Amount must be within the range of values assigned to each such item in the Revenue Statement and the Revenue Statement of Objections, respectively. The fees and expenses of the Independent Accountant shall be paid by the Shareholders (as a reduction of the number of Consideration Shares in escrow), on the one hand, and by Hifyre, on the other hand, based upon the percentage that the amount actually contested but not awarded to the Shareholder Nominees or Hifyre, respectively, bears to the aggregate amount actually contested by the Shareholder Nominees and Hifyre. The Independent Accountant shall make a determination as soon as practicable within 20 Business Days (or such other time as the parties shall agree in writing) after its engagement, and its resolution of the Disputed Amounts and its adjustments made as a consequence of such resolution to the Revenue Statement and the Trailing Nine Month Revenue shall be conclusive and binding upon the parties.
- (e) If the Trailing Nine Month Revenue calculated as of the last day of the Earn-Out Period exceeds the Earn-Out Target, within five (5) Business Days after final determination of the Trailing Nine Month Revenue calculated as of the last day of the Earn-Out Period, Hifyre, FFHC and the Shareholder Nominees shall jointly direct the Escrow Agent to release the Revenue Holdback Shares to the Shareholders in accordance with their pro rata share.
- (f) If the Trailing Nine Month Revenue calculated as of the last day of the Earn-Out Period is less than the Earn-Out Target, the Aggregate Consideration Amount shall be decreased, dollar for dollar, by the amount of such difference (the “**Revenue Shortfall**”), and, within five (5) Business Days after final determination of the Trailing Nine Month Revenue calculated as of the last day of the Earn-Out Period (i) FFHC and the Shareholder Nominees shall jointly direct the Escrow Agent to transfer to FFHC for cancellation such number of Revenue Holdback Shares as is equal to the Revenue Shortfall divided by the Deemed Share Price (without interest), provided that if the number of shares calculated by dividing the Revenue Shortfall by the Deemed Share Price exceeds the amount of Revenue Holdback Shares, the FFHC shall direct the Escrow Agent to transfer to FFHC for cancellation the entire amount of the Revenue Holdback Shares, which remain in escrow; and (ii) Hifyre, FFHC and the Shareholder Nominees shall jointly direct the Escrow Agent to release the remaining Revenue Holdback Shares (if any) to the Shareholders in accordance with their pro rata shares.
- (g) Any payments made pursuant to this Section shall be treated as an adjustment to the Aggregate Consideration Amount.



**SCHEDULE B**

**PINEAPPLE OPTIONS AND PINEAPPLE WARRANTS**

Pineapple Options:

<b>Party</b>	<b>Number Pineapple Options Held</b>	<b>Exercise Price</b>	<b>Vesting</b>	<b>Expiry</b>
[REDACTED]	400,000	\$ 0.50	50% vesting immediately, 50% vesting on liquidity event (ie. Go-public or M&A)	December 31, 2021
[REDACTED]	400,000	\$ 0.50	1/3 Vesting on each of December 31, 2019, 2020 and 2021	December 31, 2021
[REDACTED]	100,000	\$ 0.50	1/3 Vesting on each of December 31, 2019, 2020 and 2021	December 31, 2021
[REDACTED]	100,000	\$ 0.50	1/3 Vesting on each of December 31, 2019, 2020 and 2021	December 31, 2021

Pineapple Warrants:

<b>Party</b>	<b>Number Pineapple Warrants Held</b>	<b>Exercise Price</b>	<b>Expiry</b>
[REDACTED]	33,333	\$ 0.15	December 23, 2021
[REDACTED]	182,666	\$ 0.15	December 23, 2021
[REDACTED]	4,166,667	\$ 0.30	March 31, 2022

**SCHEDULE C**

**AUTHORIZED AND ISSUED CAPITAL**

<b>Date</b>	<b>Shareholder Name</b>	<b>Share Type</b>	<b>Number of Shares</b>
19-Mar-19		Common	240,000
16-Apr-19		Common	1,000,000
16-Apr-19		Common	250,000
16-Apr-19		Common	550,000
16-Apr-19		Common	100,000
16-Apr-19		Common	250,000
16-Apr-19		Common	240,720
16-Apr-19		Common	52,048
16-Apr-19		Common	11,660,572
16-Apr-19		Common	97,952
16-Apr-19		Common	720,000
19-Jun-19		Common	150,000
19-Jun-19		Common	1,199,639
19-Jun-19		Common	7,540,971
19-Jun-19		Common	150,000
25-Jun-19		Common	30,000
25-Jun-19		Common	100,000
25-Jun-19		Common	150,000
25-Jun-19		Common	150,000
25-Jun-19		Common	50,000
25-Jun-19		Common	100,000
25-Jun-19		Common	166,670
25-Jun-19		Common	150,000
25-Jun-19		Common	150,000
25-Jun-19		Common	50,000
25-Jun-19		Common	100,000
25-Jun-19		Common	200,000
30-Oct-19		Common	62,500
30-Oct-19		Common	62,500
4-Nov-19		Common	125,000
19-Nov-19		Common	180,000
9-Dec-19		Common	80,000
23-Dec-19		Common	921
23-Dec-19		Common	838
31-Jan-20		Common	500,000
31-Jan-20		Common	4,777
31-Jan-20		Common	250,000
31-Jan-20		Common	750,000
31-Jan-20		Common	200,000
31-Jan-20		Common	200,000
31-Jan-20		Common	100,000
31-Jan-20		Common	9,041
31-Jan-20		Common	4,777
31-Jan-20		Common	50,000
31-Jan-20		Common	100,000
31-Jan-20		Common	200,000
28-Feb-20		Common	500,000
31-Mar-20		Common	350,000
31-Mar-20		Common	9,333,333
24-Aug-20		Common	100,000
24-Aug-20		Common	65,970
24-Aug-20		Common	666,666
Effective Date		Common	1,851,323
<b>Total</b>			<b>41,346,218</b>