Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

MOTION RECORD

May 27, 2025

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Court File No. CV-25-00743485-00CL

ONTARIO
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ARBAT CAPITAL GROUP LTD.

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TAB 1

Court File No. CV-25-0074348-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

NOTICE OF MOTION
(Returnable May 29, 2025)
(Amended and Restated Initial Order & Claims Identification Order)

Arbat Capital Group Ltd. ("**Arbat**" or the "**Applicant**") will make a motion to Mr. Justice Cavanagh on Thursday, May 29, 2025 at 10:00 a.m. or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard by Zoom video conference. Zoom details will be provided by the Court and made available on Case Centre.

THIS MOTION IS FOR:

(a) An amended and restated Initial Order ("**ARIO**") substantially in the form attached as Tab "3" to the within motion record, among other things:

(I) abridging the time for and validating service of the notice of motion and motion record, and dispensing with service on any person other than those served;

(II) extending the stay of proceedings up to and including August 28, 2025 (the "**Extended Stay Period**");

(III) approving an increase to the Administration Charge, to the maximum amount of $500,000;

(IV) approving an increase to the Directors' Charge, to the maximum amount of $220,000;

(V) approving an amended and restated DIP Term Sheet dated May 29, 2025 between Arbat and the Company (the "**Amended and Restated DIP Term Sheet**"), and a corresponding increase in the borrowings under the DIP Loan and DIP Lender's Charge to a total of $900,000, plus interest, fees, and expenses; and

(VI) authorizing the Company to pay certain critical pre-filing amounts owing to suppliers; and

(b) a claims identification order ("**Claims Identification Order**") substantially in the form attached as Tab "6" to the within motion record approving a proposed claims procedure ("**Claims Identification Process**").

THE GROUNDS FOR THE MOTION ARE:[1]

Background

1. This is a creditor-initiated CCAA reorganization proceeding of The Second Cup Coffee Company Inc. ("**Second Cup**" or the "**Company**"). Second Cup owns or controls the "Second Cup Café" brand and rights globally, outside of Canada. Second Cup franchises these rights to franchisees (the "**Franchisees**") located in approximately 20 countries worldwide, including in Pakistan, Egypt, Azerbaijan, Cyprus, and across sub-Saharan Africa. The Franchisees operate approximately 170 cafes worldwide.

2. Arbat is Second Cup's largest creditor by far, being owed over US$ 3,753,006.83 and £840,810.95 on an unsecured basis as of May 16, 2025. The initial application was supported by Park Investors LLC ("**Park**") and Svetlana Bortsova ("**Bortsova**" together with Arbat, the "**Majority Group**"). The Company owes Park and Bortsova £630,608.21 each. In addition to these debts, the Majority Group also holds 70% of the issued and outstanding shares of Second Cup.

3. On the application of Arbat, the Company obtained protection under the CCAA pursuant to the terms of an Initial Order granted by the Honourable Mr. Justice Cavanagh on May 22, 2025.

[1] All capitalized terms not otherwise defined herein have the meaning given to them in (a) the Initial Order of the Honourable Mr. Justice Cavanagh dated May 22, 2025 (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-26, as amended (the "**CCAA**"); and (b) the affidavit of Alexey Golubovich affirmed on May 19, 2025 in support of the Initial Order (the "**First Golubovich Affidavit**").

4. The facts underlying the Company's financial circumstances and its need for protection under the CCAA are set out in the First Golubovich Affidavit.

5. The Initial Order, among other things:

(a) declared Second Cup to be a debtor company to which the CCAA applies;

(b) appointed Grant Thornton Limited ("**GTL**") as monitor of the Company in these CCAA proceedings (the "**Monitor**") pursuant to section 11.7 of the CCAA;

(c) appointed Maxim Lojevsky as the Chief Restructuring Officer ("**CRO**") of the Company, and approved an engagement letter between the CRO and the Company (the "**CRO Engagement**");

(d) stayed all proceedings and remedies taken or that might be taken in respect of the Company and its respective current and former directors, employees, and representatives to and including June 1, 2025 (the "**Initial Stay Period**");

(e) granted an administration charge in the initial amount of $275,000 over the Company's Property (as defined in the Initial Order) as security for the payment of the fees and disbursements of the Monitor and its counsel, the CRO, and the Applicant's counsel (the "**Administration Charge**");

(f) approved, authorized, and directed the Company to execute an interim financing term sheet ("**DIP Term Sheet**") between the Applicant, as lender (in such capacity, the "**DIP Lender**"), and the Company, as borrower, establishing a charge (the "**DIP**

Lender's Charge") over the Property in the maximum amount of $200,000 in favour of the DIP Lender; and

(g) granted an initial directors' charge ("**Directors' Charge**") over the Property, in favour of the Company's directors, in the amount of $100,000.

ARIO Relief

Extended Stay Period

6. The Initial Stay Period currently expires on June 1, 2025. Arbat seeks an extension of the stay period, up to and including August 28, 2025 (defined above as the "**Extended Stay Period**".)

7. The proposed Extended Stay Period expires at the end of the 13-week cash flow forecast prepared by the Debtor, and reviewed by the Monitor, and filed in support of the ARIO (the "**Cash Flow Forecast**"),

8. If the ARIO is granted, Arbat understands that the Company, with the assistance of the CRO and the Monitor, will move promptly to prepare and seek Court approval of a sale and investment solicitation process ("**SISP**").

9. The Extended Stay Period is reasonable in light of the Cash Flow Forecast and will afford the Company sufficient time, and the breathing room necessary, to develop and implement a SISP designed to maximize the value of the Company's business for its stakeholders.

10. It is just and convenient, and in the best interest of the Company and its stakeholders, that the proposed Extended Stay Period be granted.

Increase to the Administration Charge

11. The Initial Order approved an Administration Charge in the amount of $275,000. The Administration Charge was required to secure the expertise, knowledge, and continued participation of the Monitor, the Monitor's counsel, the Applicant's counsel, and the CRO (together, the "**Professionals Group**"), whose services will be in furtherance of a successful restructuring.

12. The Administration Charge was limited to what was reasonably necessary during the Initial Stay Period. Arbat now seeks to increase the Administration Charge to $500,000.

13. The increased quantum of the Administration Charge is based on the estimated fees of the Professionals Group from the date of the Comeback Hearing through to the end of the proposed Extended Stay Period.

14. The requested increase to the Administration Charge will secure payment for the work to be performed by the Professionals Group during the proposed Extended Stay Period.

15. The amount of the Administration Charge is fair and reasonable in the circumstances. The Monitor supports the increase to the Administration Charge.

Increase to the Directors' Charge

16. The Applicant seeks to increase the Directors' Charge from $100,000 to $220,000.

17. The increase in the Directors' Charge is limited to the indemnification obligations and liabilities that the directors may face during the Extended Stay Period. The Directors'

Charge is reasonable and necessary to ensure the continued participation of the directors throughout these CCAA proceedings.

18. The Company's D&O insurance policy has lapsed, with the result that there is a significant risk of personal exposure to the Company's directors if the Directors' Charge is not increased through the Extended Stay Period.

19. As set out in the Initial Order, the Directors' Charge is intended to rank below the Administration Charge, and above the DIP Lender's Charge.

20. The Monitor supports the increase to the Directors' Charge.

Amended and Restated DIP Term Sheet & Increase to the DIP Loan and DIP Lender's Charge

21. The Initial Order approved a DIP Term Sheet between Arbat, as DIP Lender, and the Company, as borrower, dated May 16, 2025 (the "**First DIP Term Sheet**").

22. As set out in the Cash Flow Forecast, due to the need to pay suppliers, contractors, and payroll, the Company has utilized substantially all of the initial borrowing limit under the DIP Loan during the Initial Stay Period. Accordingly, Arbat has agreed to amend and restate the First DIP Term Sheet.

23. The Amended and Restated DIP Term Sheet contemplates an increase in the DIP Loan amount from $200,000 to $900,000, plus interest, fees, and expenses, and a corresponding increase to the DIP Lender's Charge.

24. The purpose of the DIP Loan has also been amended to include the funding of the professional fees and expenses incurred by the Company and the Monitor in respect of

these CCAA proceedings, as well as the debt service obligations of the Company in accordance with the updated Cash Flow Forecast prepared by the Monitor.

25. The increase to the amount of the DIP Loan is the amount estimated to be required to allow the company to continue to operate during the proposed Extended Stay Period. The DIP Loan is currently the Company's only available source of funding.

26. As described in the Initial Order, the DIP Lender's Charge is intended to rank below the Administration Charge and the Directors' Charge.

27. The Monitor supports the increase to the increased DIP Loan and DIP Lender's Charge.

Pre-Filing Amounts and Obligations

28. The Company is critically reliant on certain suppliers in its daily operations. To preserve Second Cup's business and maintain these relationships, the Applicant is seeking the Court's approval to pay certain pre-filing expenses of the Company, or to honour certain payments issued to providers of goods and services prior to the date of filing.

29. Payment of pre-filing amounts to suppliers will only be made with the express authorization of the Monitor and the CRO, and only to those suppliers that the Monitor and CRO agree are essential to the Company's business and operations.

30. The payments for which approval is sought are budgeted for in the Cash Flow Forecast prepared by the Monitor.

Claims Procedure Order

31. The motion also seeks approval of the Claims Identification Order to allow the Company to identify existing claims against it, including those claims against its directors and officers.

32. The proposed Claims Identification Process is a fair and reasonable method of identifying, quantifying, and resolving outstanding claims against the Company, which will assist in restarting the Company's operations.

33. The notification processes described in the Claims Identification Order will provide claimants with adequate notice of the Claims Identification Process and an adequate opportunity to prove their claims prior to the relevant bar dates.

34. The Monitor supports the Claims Identification Order.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

(a) The affidavit of Alexey Golubovich, sworn May 27, 2025;

(b) The First Report of the Monitor, to be filed; and

(c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

May 27, 2025

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Lawyers for the Applicant

ARBAT CAPITAL GROUP LTD. Applicant	and	THE SECOND CUP COFFEE COMPANY INC. Respondent	Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

NOTICE OF MOTION

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Lawyers for the Applicant

TAB 2

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

AFFIDAVIT OF ALEXEY GOLUBOVICH
(Affirmed May 27, 2025)

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AFFIDAVIT OF ALEXEY GOLUBOVICH
(Affirmed May 27, 2025)

I, ALEXEY GOLUBOVICH, of the City of London, in the United Kingdom **AFFIRM AND SAY AS FOLLOWS**:

I. OVERVIEW

1. I am a director of Arbat Capital Group Ltd. ("**Arbat**" or the "**Applicant**"), the applicant creditor in these proceedings under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended ("**CCAA**"). On May 22, 2025, Arbat sought and obtained an initial order ("**Initial Order**") under the CCAA in respect of the respondent debtor company, The Second Cup Coffee Company Inc. ("**Second Cup**" or the "**Company**").

2. I am a director of Arbat, which is the largest creditor and a 40% shareholder in Second Cup. I am also a member of the Company's board of directors (the "**Board**"). As such, I have personal knowledge of the matters hereinafter deposed. If I have obtained information from others, I state the source of the information and believe it to be true.

3. On May 22, 2025, the Honourable Justice Cavanagh granted the Initial Order which, among other things:

   (a) declared Second Cup to be a debtor company to which the CCAA applies;

   (b) appointed Grant Thornton Limited ("**GTL**") as monitor of the Company in these CCAA proceedings (the "**Monitor**") pursuant to section 11.7 of the CCAA;

   (c) appointed Maxim Lojevsky as the Chief Restructuring Officer ("**CRO**") of the Company, and approved an engagement letter between the CRO and the Company (the "**CRO Engagement**");

(d) stayed all proceedings and remedies taken or that might be taken in respect of the Company and its respective current and former directors, employees, and representatives to and including June 1, 2025 (the “**Initial Stay Period**”);

(e) granted an administration charge in the initial amount of $275,000 over the Company’s Property (as defined in the Initial Order) as security for the payment of the fees and disbursements of the Monitor and its counsel, the CRO, and the Applicant’s counsel (the “**Administration Charge**”);

(f) approved, authorized, and directed the Company to execute an interim financing term sheet (“**DIP Term Sheet**”) between the Applicant, as lender (in such capacity, the “**DIP Lender**”), and the Company, as borrower, establishing a charge (the “**DIP Lender’s Charge**”) over the Property in the maximum amount of $200,000 in favour of the DIP Lender; and

(g) granted an initial directors’ charge (“**Directors’ Charge**”) over the Property, in favour of the Company’s directors, in the amount of $100,000.

4. A copy of the Initial Order and the accompanying endorsement of Justice Cavanagh are attached as **Exhibits “A”** and **“B”**, respectively.

5. Capitalized terms used herein but not defined in this affidavit have the meaning given to them in my affidavit affirmed on May 19, 2025 (the “**First Golubovich Affidavit**”), a copy of which is attached, without exhibits, as **Exhibit “C”**.

II. RELIEF REQUESTED

6. This affidavit is sworn in support of two orders:

(a) an amended and restated Initial Order (“**ARIO**”) substantially in the form attached as Tab “3” to the within motion record, among other things:

(I) abridging the time for and validating service of the notice of motion and motion record, and dispensing with service on any person other than those served;

(II) extending the stay of proceedings up to and including August 28, 2025;

(III) approving an increase to the Administration Charge, to the maximum amount of $500,000;

(IV) approving an increase to the Directors' Charge, to the maximum amount of $220,000; and

(V) approving an amended and restated DIP Term Sheet dated May 29, 2025 between Arbat and the Company (the "**Amended and Restated DIP Term Sheet**"), and a corresponding increase in the borrowings under the DIP Loan and DIP Lender's Charge to a total of $900,000, plus interest, fees, and expenses;

(b) a Claims Identification Order ("**Claims Identification Order**") substantially in the form attached as Tab "6" to the within motion record, approving a proposed Claims Identification Process ("**Claims Identification Process**") regarding claims that may be outstanding against the Company and the Board;

and

(c) such further and other relief as this Court deems just.

III. BACKGROUND AND STATUS OF THE CCAA PROCEEDINGS

7. This is a creditor-initiated CCAA reorganization proceeding of Second Cup, which owns or controls the "Second Cup Café" brand and rights globally, outside of Canada. Second Cup franchises these rights to franchisees (the "**Franchisees**") located in approximately

20 countries worldwide, including in Pakistan, Egypt, Azerbaijan, Cyprus, and across sub-Saharan Africa. The Franchisees operate approximately 170 cafes worldwide.

8. Arbat is Second Cup's largest creditor by far, being owed over US$ 3,753,006.83 and £840,810.95 on an unsecured basis as of May 16, 2025. The initial application was supported by Park Investors LLC ("**Park**") and Svetlana Bortsova ("**Bortsova**" together with Arbat, the "**Majority Group**"). The Company owes Park and Bortsova £630,608.21 each. In addition to these debts, the Majority Group also holds 70% of the issued and outstanding shares of Second Cup.

9. The facts underlying the Company's financial circumstances and its need for CCAA protection are set out and described in the First Golubovich Affidavit.

10. Following the issuance of the Initial Order, with the assistance of the Monitor, the Applicant, and the CRO, the Company has continued to operate its business. During the initial Stay Period, the Company, the CRO, the Monitor, and/or Arbat, as applicable, have, among other things:

   (a) communicated with, provided information to, and answered questions of various stakeholders, including employees, suppliers and Franchisees;

   (b) commenced their review of the Company's books and records; and

   (c) taken preliminary steps toward stabilizing the Company's cash flow and operations.

IV. RELIEF UNDER THE ARIO

A. Extension of the Stay Period

11. The Initial Stay Period granted pursuant to the Initial Order expires on June 1, 2025. Arbat seeks an extension of the Initial Stay Period, up to and including August 28, 2025 (the "**Extended Stay Period**").

12. The Company requires an extension of the stay of proceedings to maintain the *status quo* and to provide the Company with the breathing space required to prepare, seek Court approval of, and implement a sale and investment solicitation process, in consultation with the CRO and the Monitor.

13. Arbat is satisfied that the Company has been acting in good faith and with due diligence throughout the Initial Stay Period and will continue to do so during the proposed Extended Stay Period.

14. No creditor will be materially prejudiced by the proposed Extended Stay Period.

15. I understand that the Second Report of the Monitor, to be filed in support of this motion, will provide additional commentary and reporting on the activities of the Company since the date of the Initial Order.

B. Increase to the Administration Charge

16. The Initial Order granted an initial Administration Charge in the amount of $275,000 to secure the fees and disbursements of the Monitor and its counsel, the CRO, and counsel to Arbat (together, the "**Professionals Group**"), incurred both before and after the commencement of the CCAA proceedings, through to the Comeback Hearing.

17. Arbat seeks an increase to the Administration Charge up to the maximum amount of $500,000.

18. The increased quantum of the Administration Charge is based on the estimated fees of the Professionals Group from the date of the Comeback Hearing through to the end of the proposed Extended Stay Period.

19. Arbat's counsel, and the Monitor and its counsel, contributed significantly to the planning and preparation of the initial application under the CCAA, and have remained extensively involved with the Company during the Initial Stay Period, including managing stakeholder concerns and assisting the Company in stabilizing its business.

20. Following his approval as CRO, Mr. Lojevsky has assisted the Company and the Monitor, and continues to perform his duties in accordance with the terms of the Court-approved CRO Engagement.

21. It is contemplated that each of the aforementioned parties (i) will continue to have appropriate involvement during the proposed CCAA proceedings; (ii) have contributed and will continue to contribute to the restructuring of the Company; and (iii) will ensure that there is no duplication of roles among the parties.

22. I understand that the Monitor has reviewed the proposed increase to the quantum of the Administration Charge and is of the view that it is reasonable and appropriate in the circumstances, given the contemplated work required to be completed during the pendency of theses CCAA proceedings and the services provided and to be provided by the beneficiaries of the Administration Charge.

C. Increase to the Directors' Charge

23. The Initial Order granted a charge in favour of the Company's directors in the amount of $100,000. Pursuant to the proposed ARIO, Arbat seeks to increase the Directors' Charge to the maximum amount of $220,000.

24. As set out in the Initial Order, the Directors' Charge is intended to rank below the Administration Charge, and above the DIP Lender's Charge.

25. The increased quantum of the Directors' Charge was determined by Arbat, in consultation with the Monitor and the CRO, and is limited to the indemnification obligations and liabilities that the directors may face during the Extended Stay Period. The purpose of the Directors' Charge is to protect the Board from any personal liability that may attach to them because of the Company's failure to meet certain pre-filing obligations.

26. The Company's D&O insurance policy has lapsed, with the result that there is a substantial risk of personal exposure to the Board if the Director's Charge is not increased through the proposed Extended Stay Period.

27. I am advised by the Monitor and the CRO that they support the quantum and approval of the increased Directors' Charge.

D. Amended and Restated DIP Term Sheet

28. The Initial Order approved a DIP Term Sheet between Arbat, as DIP Lender, and the Company, as borrower, dated May 16, 2025 (the "**First DIP Term Sheet**").

29. Arbat and the Company have agreed to amend the First DIP Term Sheet as follows:

    (a) *Purpose*: in addition to funding the working capital needs and the Recoverable Expenses of the Company, the DIP Loan shall also be available to fund (i) professional fees and expenses incurred by the Company and the Monitor in respect of these CCAA proceedings, and (ii) the debt service obligations of the Company in accordance with the updated Cash Flow Forecast prepared by the Monitor.

(b) *Principal Amount:* the principal amount of the DIP Loan will be increased to an aggregate of $900,000.

(c) *Advances*: upon the issuance of the ARIO, the balance of the DIP Loan, being $700,000, or such lesser amount as may be approved by the ARIO and secured in full by the increased DIP Lender's Charge, shall be available to the Company in multiple advances in accordance with the Cash Flow Forecast ("**Subsequent Advances**"). Subsequent Advances shall be made in accordance with the Cash Flow Forecast, as may be amended and updated from time to time with Arbat's written consent, or otherwise at Arbat's discretion as DIP Lender upon the receipt of draw requests from the CRO or the Monitor, on behalf of the Company.

(d) *Commitment Fee*: the Company shall pay a commitment fee in the amount of $18,000, representing 2% of the aggregate availability under the DIP Loan. This Commitment Fee includes the Commitment Fee payable under the First DIP Term Sheet.

30. A copy of the Amended and Restated DIP Term Sheet, and a blackline against the First DIP Term Sheet, are attached as **Exhibit "D"** and **Exhibit "E"**, respectively.

31. The Amended and Restated DIP Term Sheet amends and restates the First Dip Term Sheet and is not a novation of the First DIP Term Sheet. All indebtedness, liabilities, and obligations of the Company under the First DIP Term Sheet shall continue as obligations under the Amended and Restated DIP Term Sheet.

E. Increased Amounts to DIP Loan and DIP Lender's Charge

32. Pursuant to the Initial Order, the Court approved the Company's borrowings under the First DIP Term Sheet in the amount of $200,000, which was the amount of interim financing reasonably necessary to "keep the lights on" during the initial Stay Period. A corresponding DIP Lender's Charge in the same amount was also granted.

33. The Company utilized substantially all of the initial borrowing limit under the DIP Loan during the Initial Stay Period.

34. Accordingly, Arbat seeks to increase the maximum borrowings under the DIP Loan to $900,000 plus interest, fees, and expenses, as well as a corresponding increase to the DIP Lender's Charge.

35. The Company requires additional DIP financing to fund operating expenses during the proposed Extended Stay Period. The DIP Loan is currently the Company's only available source of funding.

36. The increase in the quantum of borrowings under the DIP Loan is the amount estimated by Arbat, in consultation with the Monitor and CRO, to be required to operate the Company in the ordinary course of business during the Extended Stay Period.

37. As set out in the Initial Order, the DIP Lender's Charge is intended to rank below the Administration Charge and the Directors' Charge.

V. RELIEF UNDER THE CLAIMS IDENTIFICATION ORDER[1]

38. Arbat seeks the approval of the Claims Identification Order to allow the Company to identify the existing claims against it, including claims against the Board.

39. I understand from my counsel that the Monitor will explain and make recommendations on the Claims Identification Process in its Second Report. The following is a high level summary of certain key aspects of the Claims Identification Process:

(a) *Scope*: to identify and quantify creditor claims against Second Cup to allow the Company to determine what suppliers, if any, may have outstanding claims against the Company.

(b) *Notice Timing*: the Monitor shall send a Proof of Claim Document Package to each Known Creditor within five (5) Business Days following the issuance of the Claims Identification Order;

(c) *Claims Bar Date*: Proofs of Claim must be received by the Monitor by 5:00 p.m. (Eastern Standard Time) on June 30, 2025 (the "**Claims Bar Date**"), approximately 30 days after the date the Claims Identification Order is granted, if granted by this Court, failing which a creditor will be forever barred from advancing a claim against Second Cup or any of its directors and officers.

(d) *Review of Proofs of Claim*: the Monitor, in consultation with the Company, and the directors and officers in respect of any D&O Claim, shall review all Proofs of Claim and may (i) request additional information from a creditor; (ii) request that a creditor file a revised Proof of Claim; (iii) attempt to resolve and settle any issue arising in

[1] Capitalized terms used in this section, but not otherwise defined, have the meaning ascribed to them in the draft Claims Identification Order attached to the within motion record at Tab "6".

a Proof of Claim; (iv) accept (in whole or in part) any Claim; and (v) revise or disallow (in whole or in part) any Claim.

(e) *Notice of Revision or Disallowance*: where a Claim is revised or disallowed, the Monitor shall deliver to the creditor a Notice of Revision or Disallowance, and attach the form of Notice of Dispute of Revision or Disallowance.

(f) *Notice of Dispute of Revision or Disallowance*: any creditor who intends to dispute a Notice of Revision or Disallowance pursuant to the Claims Procedure Order shall deliver a Notice of Dispute of Revision or Disallowance no later than 14 days after receiving the Notice of Revision or Disallowance. The Monitor will also have the discretion to discontinue to dispute of revision or disallowance process in respect of any Claim and to treat such Claim as being entirely unaffected by the Claim Identification Process if the Monitor deems it to be in the best interest of the Debtor and stakeholders to do so.

VI. FORM OF ORDER AND CONCLUSION

40. I swear this affidavit in support of the ARIO and Claims Identification Order substantially in the form contained at Tabs “3” and “5” of the motion record, respectively, and for no other or improper purpose.

AFFIRMED by Alexey Golubovich at London, in the United Kingdom, before me before me at the City of Toronto, in the Province of Ontario, on May 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits

MATTHEW CRESSATTI

Подписант:
Alexey Golubovich
3856BACE1F23499...

ALEXEY GOLUBOVICH

This is Exhibit "A" referred to in the Affidavit of Alexey Golubovich affirmed by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Matthew Cressatti

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Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 22ND
	)	
JUSTICE CAVANAGH	)	DAY OF MAY, 2025

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

INITIAL ORDER

THIS APPLICATION, made by the Applicant, Arbat Capital Group Ltd. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the affidavit of Alexey Golubovich, affirmed May 19, 2025 (the "**Golubovich Affidavit**") and the Exhibits thereto, and the pre-filing report (the "**Pre-Filing Report**") of Grant Thornton Limited ("**GTL**") in its capacity as the proposed monitor (in such capacity, the "**Monitor**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, The Second Cup Coffee Company Inc. (the "**Debtor**"), Demetrios Ragas ("**Ragas**"), His Majesty the King in right of Canada, and for GTL, no one appearing for the Bank of Montreal ("**BMO**") although duly served as appears from the affidavit of service of Kim Sellers, sworn May 20, 2025, and on reading the consent of GTL to act as the Monitor,

SERVICE

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

APPLICATION

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

POSSESSION OF PROPERTY AND OPERATIONS

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

4. **THIS COURT ORDERS** that the Debtor shall be entitled to continue to utilize its cash management system currently in place, or replace it with another substantially similar cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Debtor of funds transferred, paid, collected or other dealt within the Cash Management System, shall be entitle to provide the Cash Management System without any liability in respect there of to any Person (as hereinafter defined) other that the Debtor, pursuant to the terms of the documentation applicable

to the Cash Management System, and shall be, in its capacity as provider of the, Cash Management System, an unaffected creditor under any plan or compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Debtor, in accordance with the cash flow forecast appended to the Pre-Filing Report, (the "**Cash Flow Forecast**") shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Debtor in respect of these proceedings, at their standard rates and charges;

(c) amounts owing for goods and services supplied to the Debtor on or after the date of this order if, in the opinion of the Monitor and the CRO, such goods and services are necessary for the operation or preservation of the Business or Property;

(d) only with the consent of the Monitor, amounts owing for goods or services supplied to the Debtor prior to the Initial Order if, in the opinion of the Debtor and the Monitor, such payment is necessary or desirable to avoid disruption to the operation of the Business during the CCAA proceedings; and

(e) any and all amounts that come due and owing to BMO.

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

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers' insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Debtor following the date of this Order.

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

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes, and all other amounts related to such deductions or employee wages payable for periods following the date of this Order pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtor in connection with the sale of goods and services by the Debtor, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Debtor; and

(d) any and all amounts that come due and owing to BMO.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Debtor shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated

between the Debtor and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly in equal payments on the first day of each month. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Debtor is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Debtor to any of its creditors as of this date with the sole exception of such amounts payable to BMO in accordance with the Cash Flow Forecast; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business. For greater certainty, the Debtor shall continue to make any and all payments of principal, interest, and payments otherwise owing by the Debtor to BMO.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Debtor shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Debtor to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. **THIS COURT ORDERS** that the Debtor shall provide each of the relevant landlords with notice of the Debtor's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a

representative present in the leased premises to observe such removal and, if the landlord disputes the Debtor's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Debtor, or by further Order of this Court upon application by the Debtor on at least two (2) days notice to such landlord and any such secured creditors. If the Debtor disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Debtor's claim to the fixtures in dispute.

12. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtor and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Debtor in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including June 1, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtor or the Monitor, or affecting the Business or the Property, except with the written consent of the Debtor and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtor or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the

Debtor or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Debtor and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

15. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

17. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any

Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Debtor. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

19. **THIS COURT ORDERS** that during the Stay Period the Applicant shall take no further steps in enforcing any rights it may have as against shares in the Debtor held by Ragas, related to the Notice of Intention to Enforce Security delivered by the Applicant to Ragas on December 3, 2024.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Debtor shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Debtor after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Debtor shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $100,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 41 and 43 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Debtor's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

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

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

(a) monitor and approve in writing the Debtor's receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Debtor, to the extent required by the Debtor, in its dissemination, to the Applicant in its capacity as lender under the DIP Facility Term Sheet (defined below) and its counsel of financial and other information as may be required by the Applicant which may be used in these proceedings including reporting on a basis to be agreed with the Applicant;

(d) advise the Debtor in its preparation of the Debtor's cash flow statements and reporting required by the Applicant, which information shall be reviewed with the Monitor and delivered to the Applicant as required by the Applicant;

(e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtor, to the extent that is necessary to adequately assess the Debtor's business and financial affairs or to perform its duties arising under this Order;

(f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(g) execute the CRO Engagement (as defined below) on behalf of the Debtor; and

(h) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other Persons shall forthwith advise the Monitor of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Monitor, and shall deliver all such Property to the Monitor upon the Monitor's request.

26. **THIS COURT ORDERS** that all Persons shall forthwith advise the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Monitor or permit the Receiver to make, retain and take away copies thereof and grant to the Monitor unfettered access to and use of accounting, computer, software and physical facilities relating thereto , provided however that nothing in this paragraph 26 or in paragraph 27 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Monitor due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

27. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Monitor for the purpose of allowing the Monitor to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Monitor in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Monitor. Further, for the purposes of this paragraph, all Persons shall provide the Monitor with all such assistance in gaining immediate access to the information in the Records as the Monitor may in its discretion require including providing the Monitor with instructions on the use of any computer or other system and providing the Monitor with any and all access codes, account names and account numbers that may be required to gain access to the information.

28. **THIS COURT ORDERS** any and all financial institutions, banks and their affiliates, shall produce to the Monitor any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal information" about third parties as defined in *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, as amended.

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

30. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste

or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Debtor and the Applicant with information provided by the Debtor in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Debtor is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Debtor may agree.

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

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

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

35. **THIS COURT ORDERS** that the Monitor, and counsel to the Monitor, the CRO, and counsel to the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $275,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 hereof.

DIP FINANCING

36. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to obtain and borrow under the debtor-in-possession term sheet dated as of May 22, 2025 between the Debtor, as the borrowers, and the Applicant, as lender attached as Exhibit "A" to the Golubovich Affidavit (as may be amended, restated, supplemented and/or modified from time to time, the "**DIP Facility Term Sheet**"), in order to finance the Debtor's working capital requirements, other general corporate purposes, accrued interest, expenses, and capital expenditures, all in accordance with the terms of the DIP Facility Term Sheet, provided that borrowings under the DIP Facility Term Sheet shall not exceed $200,000 plus interest, fees and expenses, unless permitted by further Order of this Court.

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

38. **THIS COURT ORDERS** that the Applicant shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Facility Charge**") on the Property, in the maximum amount of $200,000 plus interest, fees, and expenses pursuant to the DIP Facility Term Sheet, which DIP

Facility Charge shall not secure an obligation that exists before this Order is made. The DIP Facility Charge shall have the priority set out in paragraphs 41 and 43 hereof.

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

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

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

(c) the foregoing rights and remedies of the Applicant shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtor or the Property.

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Facility Charge (together, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $275,000);

Second – DIP Facility Charge (to the maximum amount of $200,000 plus interest, fees, and expenses pursuant to the DIP Facility Term Sheet); and

Third – Directors' Charge (to the maximum amount of $100,000).

42. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

43. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, *except* that the Charges shall rank subordinate to any and all indebtedness owing by the Debtor to

(a) the BMO and all security in favour of BMO to secure such indebtedness; and

(b) the Crown in Right of Canada in respect of any claim it may have against the Debtor arising from statutory deemed trust amounts in favour of the Crown in Right of Canada which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes.

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

45. **THIS COURT ORDERS** that the Directors' Charge, the Administration Charge, the DIP Facility Term Sheet, the Definitive Documents and the DIP Facility Charge shall not be rendered

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

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

(b) neither the Debtor nor the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Debtor entering into the DIP Facility Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Debtor pursuant to this Order, the DIP Facility Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

47. **THIS COURT ORDERS** that Maxim Lojevsky is hereby appointed as the Chief Restructuring Officer ("**CRO**") over and in respect of the Debtor and shall have the powers and obligations set out in the engagement agreement between the Debtor and the CRO dated May 22,

2025 (the "**CRO Engagement**"), and enclosed to the affidavit of Jaclyn Tarola, sworn May 20, 2025 (the "**Tarola Affidavit**").

48. **THIS COURT ORDERS** that the CRO Engagement is hereby approved, subject to such minor amendments as the parties thereto may agree to with the Monitor's consent. The Monitor is hereby authorized and directed to execute the CRO Engagement, on behalf of the Debtor, in the form enclosed with the Tarola Affidavit and the Debtor is hereby authorized and directed to perform all of their its pursuant to the CRO Engagement.

49. **THIS COURT ORDERS** that subject to the terms of this Order, the CRO is hereby authorized to assist the Applicant, the Monitor, and the Debtor and to do all things, carry out all actions and perform all duties described in the CRO Engagement.

50. **THIS COURT ORDERS** that in addition to the rights and protections afforded to the CRO by this Court, the CRO shall not be deemed to be a director, officer or trustee of the Debtor. The CRO shall not take Possession of the Property and shall not, by fulfilling his obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof, and shall be extended the same protections afforded to the Monitor under paragraphs 29 and 30 above.

51. **THIS COURT ORDERS** that the CRO shall not incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save an except for any liability or obligation incurred as a result of the CRO's gross negligence or wilful misconduct. The Debtor shall indemnify the CRO against obligations and liabilities that he may incur as CRO after the commencement of the within proceedings except to the extent that the obligation was incurred as a result of the CRO's gross negligence or wilful misconduct.

52. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, and all rights and remedies of any Person against or in respect of the CRO are hereby stayed and suspended, except with: (i) written consent of the CRO and the Monitor; or (ii) leave of this Court.

SERVICE AND NOTICE

53. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Debtor of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names, and addresses or individual creditors publicly available unless otherwise ordered by this Court.

54. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL 'http://www.doanegrantthornton.ca/SecondCup'.

55. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Debtor and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

COMEBACK MOTION

56. **THIS COURT ORDERS** that the return hearing for the amendment and restatement of this Order shall be heard on May 29, 2025 at 10:00AM, for two hours.

GENERAL

57. **THIS COURT ORDERS** that the Applicant, the CRO, or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

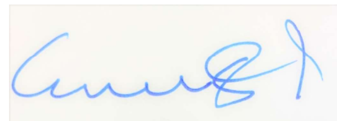
59. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Debtor, the Monitor and their respective agents in carrying out the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

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

61. **THIS COURT ORDERS** that any interested party (including the Applicant, the CRO, and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days

notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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



ARBAT CAPITAL GROUP LTD. Applicant	and	THE SECOND CUP COFFEE COMPANY INC.. Respondent	Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

INITIAL ORDER

MILLER THOMSON LLP
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40 King Street West, Suite 6400
Toronto ON M5H 3S1

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Tel: 416-597-4311

Lawyers for the Applicant

This is Exhibit "B" referred to in the Affidavit of Alexey Golubovich affirmed by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Matthew Cressatti

DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00743485-00CL
CONFIDENTIAL

DATE: May 22, 2025

NO. ON LIST: 1

TITLE OF PROCEEDING:

Arbat Capital Group Ltd. Vs. The Second Cup Coffee Company Inc.

BEFORE: Justice Cavanagh

PARTICIPANT INFORMATION

For Plaintiff, Applicant:

Name of Person Appearing	Name of Party	Contact Info
Gavin H. Finlayson	Arbat Capital Group	gfinlayson@millerthomson.com
Matthew Cressatti Jaclyn Tarola		mcressatti@millerthomson.com

For Defendant, Respondent:

Name of Person Appearing	Name of Party	Contact Info
Constantine Alexiou	The Second Cup Coffee Company Inc.	calexiou@dakllp.com

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Monique Sassi	Counsel for the Grant Thornton Limited (Proposed Monitor)	msassi@cassels.com
Jason Kanji	Grant Thornton – Proposed Monitor	Jason.kanji@doane.gt.ca

Fozia Chaudary	Counsel for Canada Revenue Agency	Fozia.chaudary@justice.gc.ca
David Salter	Counsel for Shareholder/CEO – Jim Ragas (Second Cup)	dsalter@necpal.com

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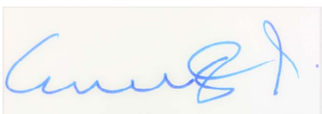
ENDORSEMENT OF JUSTICE CAVANAGH:

[1] At the conclusion of this hearing, I advised counsel that I would grant the motion for an initial order for reasons to follow. I will release those reasons through a supplementary endorsement.

[2] Order to issue in form of Order signed by me today.



SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

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For Other, Self-Represented:

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Jason Kanji	Grant Thornton – Proposed Monitor	Jason.kanji@doane.gt.ca

Fozia Chaudary	Counsel for Canada Revenue Agency	Fozia.chaudary@justice.gc.ca
David Salter	Counsel for Shareholder/CEO – Jim Ragas (Second Cup)	dsalter@necpal.com

---

SUPPLEMENTARY ENDORSEMENT OF JUSTICE CAVANAGH:

[1] At the close of oral submissions, I indicated that I would grant the requested initial order in these *CCAA* proceedings and that I would issue a brief endorsement summarizing my reasons for doing so. These are my reasons.

[2] Defined terms in this endorsement have the meanings assigned to them in the Applicant's materials.

[3] Arbat Capital Group Ltd. (the "Applicant") brings this application and seeks an initial order pursuant to the *Companies' Creditors Arrangement Act* (the "*CCAA*") in respect of The Second Cup Coffee Company (the "Company"), and granting the Company protection from its creditors and certain ancillary relief including, among other things:

a. a declaration that the Company is a debtor company to which the *CCAA* applies;

b. appointing Grant Thornton Limited ("GTL") as Monitor of the business and financial affairs of the Company;

c. appointing Maxim Lojevsky, the current chairman of the Company's Board of Directors, as the Chief Restructuring Officer ("CRO) of the Company and approving an engagement letter between the proposed CRO and the Company;

d. staying, for an initial period of not more than 10 days, all proceedings and remedies taken, or that may be taken, in respect of the Company and its current, former, and future directors, employees, and representatives;

e. granting a charge (the "Administration Charge") in the maximum amount of $275,000 over the Company's assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "Property"), as security for the payment of the fees and disbursements of GTL and its counsel, the CRO, and counsel for Arbat , in the priority set out in the Initial Order;

f. approving, authorizing and directing the Company to execute the draft DIP Term Sheet which establishes a charge (the "DIP Lender's Charge") over the Property in the maximum amount of $200,000 in favour of the Applicant , as the DIP Loan Lender, to be used as GTL and the CRO deemed necessary; and

g. granting a charge (the "Directors' Charge") in favour of the Company's directors, including Mr. Ragas, over the Property, in the amount of $100,000.

[4] The Company owns or controls the "Second Cup Café" brand and rights globally. The Company franchises these rights to franchisees. The franchisees operate approximately 170 cafés worldwide, in

around 20 different countries, none of which are located in Canada. Pursuant to the franchise agreements with the Company, the franchisees pay royalty fees to the Company and purchase certain supplies from the Company, including coffee beans and powders for flavoured drinks. The majority of the Company's revenues come from the purchase of the supplies and the royalty fees collected from franchisees. The Company has seven employees. Five of these employees are located in Canada, and two provide services from abroad. The employees are not subject to a collective agreement.

[5] The Applicant is the Company's largest creditor, being owed in excess of USD \$3,715,190.61 and £832,745.20 on an unsecured basis as of March 31, 2025. The Applicant is also a 40% shareholder of the Company. The application is supported by Park Investors LLC ("Park") and Svetlana Bortsova ("Bortsova" and, together with the Applicant and Park, the "Majority Group"). The Company is indebted to Park in the amount of £724,558.89. The Majority Group holds 70% of the issued and outstanding shares of the Company.

[6] The Company is unable to pay the debts owing to the Applicant and the other members of the Majority Group, which have matured, come due, and been demanded upon. The Company has accumulated a super-priority debt in excess of \$400,000 owing to the Canada Revenue Agency for failing to remit payroll source deductions for several years. The Company does not have sufficient liquidity to honour its payroll obligations that are due on May 23, 2025.

[7] The relief sought on this application is consented to by the Majority Group and also by the Company's current management and CEO, Demitrios (Jim) Ragas. Bank of Montreal, the Company's primary secured creditor, will not be primed by these proceedings nor by the proposed court-order charges, and has been advised of this *CCAA* filing.

[8] The facts in support of this application are set out in the affidavit of Alexey Golubovich sworn May 19, 2025.

[9] The CCAA applies in respect of a "debtor company" where the total claims against the debtor company exceed \$5 million. The phrase "debtor company" is defined in the *CCAA* as "any company that: (a) is bankrupt or insolvent …".

[10] I am satisfied that the Company as a "debtor company" within the meaning of the *CCAA*.

[11] Upon the granting of an initial order under the *CCAA*, section 11.7 the *CCAA* requires that a trustee be appointed to monitor the debtor company's business and financial affairs.

[12] GTL is a trustee within the meaning of subsection 2 of the BIA and, subject to Court approval, has consented to act as Monitor in the *CCAA* proceedings.

[13] I am satisfied that GTL should be appointed by the Court as Monitor of the Company in these *CCAA* proceedings.

[14] The Applicant seeks the appointment of Maxim Lojevsky , the current chairman of the Board of Directors of the Company, as Chief Restructuring Officer ("CRO") of the Company pursuant to the terms and conditions outlined in an engagement letter (the "CRO Engagement"). The CRO Engagement provides that during the Initial Stay Period, and following the issuance by the Court of an Amended and Restated Initial Order, the CRO's role is proposed to be limited to review and reporting functions.

[15] Pursuant to section 11 of the *CCAA*, this Court has the jurisdiction to approve the engagement of a CRO. The proposed CRO has expertise in respect of the global coffee landscape. The proposed CRO would provide the Company with stable and independent management necessary to preserve the Company's going concern value during the *CCAA* proceedings. GTL supports the appointment of the proposed CRO, pursuant to the terms of the CRO Engagement, which includes that the CRO's compensation will consist of a 2% success fee to be paid upon a successful action or sale of the Company in a Court-supervised process.

[16] I am satisfied that the engagement of the CRO should be approved.

[17] Pursuant to section 11.02 of the *CCAA*, a court may grant a stay of proceedings upon an initial application under the *CCAA* for a period of no more than 10 days, provided the court is satisfied that circumstances exist that make the order appropriate. A stay of proceedings is appropriate where it provides a debtor company with "breathing room" while the debtor company seeks to restore solvency and emerge from the *CCAA* on a going concern basis. See *Target Canada Co.*, 2015 ONSC 303, at para. 8.

[18] I am satisfied that it is appropriate for this Court to grant the requested stay of proceedings in favour of the Company. Given the Company's current liquidity crisis and financial distress, a stay of proceedings will allow the Company to maintain the *status quo* and provide the breathing room required to provide the Board and the CRO with the information needed to better understand the Company's financial position, and to formulate either a plan of arrangement or a sale and investment solicitation process. The relief sought on this initial application is limited to the relief reasonably necessary for the debtor to continue to operate in the ordinary course.

[19] The Company seeks the Administration Charge on the Company's Property up to a maximum amount of $275,000 in favour of GTL as proposed Monitor, counsel to GTL, the CRO, and counsel to the Applicant (collectively, the "Professionals Group"), to secure payment of their professional fees and disbursements, incurred both before and after the commencement of the *CCAA* proceedings, through to the Comeback Hearing.

[20] Pursuant to section 11.52 of the *CCAA*, this Court has the jurisdiction to grant a super-priority charge for the fees and expenses of financial, legal and other advisors or experts. GTL, as proposed Monitor, and its counsel, counsel to the Applicant, and the CRO, have been extensively involved in planning and preparing this initial application under the *CCAA*. It is expected that each of these parties will have extensive involvement during the proposed *CCAA* proceedings, will continue to contribute to the Company's restructuring, and will ensure that there is no unnecessary duplication of roles among the parties. GTL, as proposed Monitor, supports the granting and the amount of the Administration Charge.

[21] I accept the submissions made on behalf of the Applicant in respect of the requested Administration Charge. I am satisfied that the Administration Charge should be granted.

[22] The Applicant is seeking approval of the DIP Term sheet and third-ranking DIP Lender's Charge over the Property, in favour of the Applicant, as DIP lender, to secure amounts advanced under the DIP Term Sheet.

[23] Section 11.2 (1) of the *CCAA* allows this Court to approve the DIP Term Sheet and the DIP Lender's Charge in an amount that the Court considers as appropriate, having regard to the Company's Cash Flow Forecast.

[24] I have considered the factors listed in section 11.2 (4) of the *CCAA*. I accept that absent approval of the proposed interim financing to be made available under the DIP Loan, the Company will not be able to meet its obligations as they become due, including payroll due on May 23, 2025. The Cash Flow Forecast indicates that the Company's business is in serious jeopardy of running out of liquidity. Advances under the DIP Loan will accrue interest at 9% per annum.

[25] GTL, as proposed Monitor, supports authorizing the Company to enter into the DIP Term Sheet and the granting of the DIP Charge.

[26] I am satisfied that the requested authorization in respect of the DIP Term Sheet should be given and that the DIP Charge should be granted.

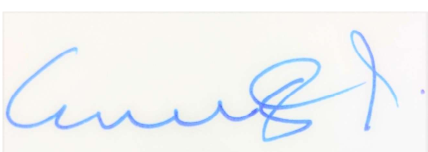
[27] The Applicant seeks a Directors' Charge on the Property in favour of the Company's directors in the amount of $100,000. The Directors' Charge is intended to rank below BMO's security interest and the Administration Charge, and above the DIP Lender's Charge.

[28] I accept the Applicant's submission that to ensure stability of the Company's business during the *CCAA* proceedings, the continued participation of the Company's directors is required. The Company's D&O insurance policy has lapsed, resulting in a risk of personal exposure to the Board if the Directors' Charge is not granted. GTL, as proposed Monitor, supports the requested Directors' Charge.

[29] I am satisfied that the requested Directors' Charge should be granted.

[30] These are my reasons for making the Initial Order.

[31] The comeback hearing is scheduled for **May 29, 2025 at 10:00 a.m**. for two hours.



This is Exhibit "C" referred to in the Affidavit of Alexey Golubovich affirmed by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

AFFIDAVIT OF ALEXEY GOLUBOVICH
(Affirmed May 19, 2025)

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AFFIDAVIT OF ALEXEY GOLUBOVICH
(Affirmed May 19, 2025)

I, ALEXEY GOLUBOVICH, of the City of London, in the United Kingdom **AFFIRM AND SAY AS FOLLOWS**:

I. OVERVIEW

1. This is a creditor-initiated application for an initial order ("**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended ("**CCAA**").

2. The applicant creditor is Arbat Capital Group Ltd. ("**Arbat**" or the "**Applicant**"), of which I am a director. The Second Cup Coffee Company Inc. ("**Second Cup**" or the "**Company**") is the Respondent debtor company. Arbat is Second Cup's largest creditor and a 40% shareholder of the Company. I am also a member of the Company's board of directors (the "**Board**"). As such, I have personal knowledge of the matters hereinafter deposed. If I have obtained information from others, I state the source of the information and believe it to be true.

3. Arbat is Second Cup's largest creditor by far, being owed over US$ 3,753,006.83 and £840,810.95 on an unsecured basis as of May 16, 2025. This application is also supported by Park Investors LLC ("**Park**") and Svetlana Bortsova ("**Bortsova**" together with Arbat, the "**Majority Group**"). Park has debt outstanding to the Company of £630,608.21**.** Borstova also has debt outstanding in the amount of £630,608.21. In addition to these debts, the Majority Group also represents 70% of the issued and outstanding shares of Second Cup.

4. As set out herein, a proceeding under the CCAA is necessary and urgently required as Second Cup is unable to repay debts owed to Arbat that have been acknowledged by the Company, have matured, come due, and been demanded upon.

5. The Company has confirmed on July 11, 2024 and on December 10, 2024 that the Company does not have the capital to repay these loans.

6. The Company also owes more than $400,000 in unpaid source deductions, has maxed out its line of credit, and has been unable to pay its auditors for over one year. The Company does not have sufficient liquidity to pay payroll, which is due on May 23, 2025.

7. In October of 2024, Arbat, Park, and Bortsova each proposed a loan restructuring to Second Cup on favourable terms including a below market interest rate, which loan restructuring did not take place.

8. As detailed below, the Majority Group have had increasing concerns about Second Cup's financial viability, beginning in summer 2024. These concerns increased over the fall, as the Majority Group learned that the Company would not be able to service their debt and was not able to arrive at an out-of-court restructuring, as discussed further below.

9. The Majority Group was recently provided with copies of the Company's bank statements for the period of March 2023 to March 2025 on April 19, 2025 (the "**Bank Statements**"). A review of the Bank Statements indicates that the Company has very little liquidity, as shown in the Cash Flow Forecast (defined below). Notably, the Bank Statements do not provide any visibility into the status of the secured Line of Credit (as defined below) after the period ending November 29, 2024. The Company has since confirmed that the Line of Credit is fully extended and that interest continues to accrue and has no liquidity to make payments on interest or principal.

10. On May 1, 2025, the Majority Group learned that the Company is significantly in arrears with respect to payroll source deductions to the Canada Revenue Agency ("**CRA**"), with the result that a significant super-priority debt in excess of $400,000 has arisen.

11. This affidavit is therefore sworn in support of Arbat's application for an Initial Order that, among other things:

(a) if necessary, abridges and validates the time for service of the notice of application and the application record and dispenses with further service thereof;

(b) declares that the Company is a debtor company to which the CCAA applies;

(c) appoints Grant Thornton Limited (the "**Proposed Monitor**") as monitor of the business and financial affairs of the Company;

(d) appoints Maxim Lojevsky, the current chairman of the Board, as the Chief Restructuring Officer ("**CRO**") of the Company and approves an engagement letter between the proposed CRO and the Company (the "**CRO Engagement**");

(e) stays, for an initial period of not more than 10 days (the "**Initial Stay Period**"), all proceedings and remedies taken, or that might be taken, in respect of the Company and its respective directors, employees, and representatives (the "**Stay of Proceedings**");

(f) grants a charge (the "**Administration Charge**") in the maximum amount of $275,000 over the Company's assets, undertakings, and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof ("**Property**"), as security for the payment of the fees and disbursements of the Monitor and its counsel, the CRO, and of counsel to Arbat, in the priority set out in the Initial Order and discussed further below;

(g) approves, authorizes, and directs the Company to execute the draft DIP Term Sheet, as defined below and attached as **Exhibit "A"**, and establishes a charge (the **"DIP Lender's Charge**") over the Property in the maximum amount of

$200,000 in favour of Arbat, as the DIP Loan lender, to be used as the Monitor and CRO deem necessary;

(h) grants a charge (the "**Directors' Charge**") in favour of the Company's directors, including Mr. Ragas, over the Property, in the amount of $100,000, in the priority set out in the Initial Order and discussed further below; and

(i) Orders a comeback hearing on a date to be scheduled (the "**Comeback Hearing**").

12. The proposed Initial Order includes only the relief necessary for the Company to maintain its status quo during the Initial Stay Period. Arbat will likely seek additional and further relief at the Comeback Hearing.

13. The Majority Group, Proposed Monitor, and CRO require more fulsome visibility into the Company's finances, meaning that the Applicant cannot currently confirm what relief will be sought at the Comeback Hearing.

14. As a result of the Company's illiquidity and inability to satisfy its obligations as they come due, a court-supervised restructuring process, with the oversight and guidance of an independent monitor, and with the Company's management being overseen by the CRO, provides the highest probability of achieving a going-concern and value-maximizing investment or a sale transaction for the benefit of all stakeholders, including (a) the repayment or refinancing of monies owed to creditors; and (b) the preservation of jobs for the Company's employees, services to the Company's franchise partners, and supply relationships with the Company's vendors.

15. While not applicants themselves, this application is unanimously supported by the other members of the Majority Group, all of whom have representation on the Board, and who together are owed over CAD $9,000,000, and who hold 70% of the Company's shares.

II. OVERVIEW OF THE DEBTOR

16. Second Cup owns or controls the "Second Cup Cafe" brand and rights globally, outside of Canada. Second Cup franchises these rights to franchisees (the "**Franchisees**") located in approximately 20 countries worldwide, including in Pakistan, Egypt, Azerbaijan, Cyprus, and across sub-Saharan Africa. The Franchisees operate approximately 170 cafes worldwide.

17. Franchisees are required, pursuant to franchise agreements with Second Cup, to pay royalties fees to Second Cup and to purchase certain supplies, including coffee beans and powders for flavoured drinks, from Second Cup. These royalty fees and supplies form the vast majority of Second Cup's revenues.

18. For context, Second Cup does not have any Franchisees or corporate-owned cafes located in Canada. Second Cup's only Canadian operations are, as discussed below, a head office with fewer than seven employees.

19. The Company is incorporated pursuant to the laws of Ontario. A copy of the Company's Corporate Profile Report dated May 12, 2025 is attached as **Exhibit "B"**.

B. Company's Shareholders, Directors, and Officers

20. The Company's shareholders are as follows:

Shareholder	**Number and Class of Shares**
Mr. Ragas	3,000,000 Class A Shares
Park	2,000,000 Class A Shares
Arbat	3,000,000 Class A Shares 1,000,000 Class B Shares
Svetlana Bortsova	1,000,000 Class B Shares

21. Each of Mr. Ragas, Park, Arbat, and Bortsova have the right, pursuant to the Company's Second Amended and Restated Unanimous Shareholders' Agreement (the "**USA**") dated September 29, 2023, to appoint one member of the Board.

22. The Board consists of Mr. Ragas, Maxim Lojevsky for Park, myself for Arbat, and Larissa Khomutova for Bortsova. Each of Park, Arbat, and Bortsova are also significant creditors to the Company, as detailed below.

23. Arbat is an investment management corporation incorporated pursuant to the laws of the British Virgin Isles and with a head office in London, United Kingdom. Arbat's articles of incorporation are attached as **Exhibit "C"**.

C. Employees

24. Based on the limited disclosure being made available to Arbat at the moment, I understand that the Company has seven employees, with five located in Canada and two providing services from overseas.

25. I believe that none of the employees are unionized or otherwise party to collective agreements. I believe that the Company does not sponsor, administer, or otherwise have any registered or unregistered pension plans. The Company does provide some benefits to certain employees.

D. Lease

26. The Company operates out of a single leased facility located at 12 Bruce Park Avenue, 1st Floor, Toronto, Ontario (the "**Head Office**"). The Head Office is leased from 2872362 Ontario Inc. (the "**Landlord**") pursuant to a lease agreement dated April 30, 2023 (the "**Lease**"). The lease runs through to August 31, 2028, with a five year option to extend.

27. Pursuant to the Lease, current base rent is approximately $4,611.25 per month. The Applicant is not aware of whether rent payments are current or in arrears.

28. The Company does not own any real property.

III. FINANCIAL CIRCUMSTANCES AND CASH FLOW

29. Arbat has limited visibility into the Company's current assets and liabilities. At this time it is known that the Company is in financial distress and cannot pay its liabilities as they come due, based the following:

(a) The Company advised the Majority Group following demands made on December 3, 2024 by the Majority Group to repay loans from them (defined below as the "Majority Group Loans") in the approximate amount of USD $3753,006.83 and £2,081,862.98, which are due and owing, that the Company does not have the means to repay the Majority Group Loans;

(b) The fact that the Company is in arrears to the CRA for payroll source deduction remittances, in the approximate amount of $400,401 as of February, 2025, as discussed further at length at paragraphs 87 to 89;

(c) By the Company's directors and officers liability insurance policy lapsing; and

(d) The Bank Statements showing that the Line of Credit was fully drawn by November 2024.

30. The Company's unaudited consolidated financial statements for the year ended December 31, 2023 are attached as **Exhibit "D"**. As these financial statements are unaudited, I cannot verify their reliability or whether they provide an accurate perspective into the Company's finances. The 2023 unaudited financial statements are summary in

nature and do not include any “notes”, with the result that the meaning of terms such as “other current liabilities” or “non current liabilities” is not apparent to a reader.

31. On March 14, 2025, the Company provided copies of its accounts payable ledger (the “**AP Ledger**”) and the Company’s accounts receivable ledger (the “**AR Ledger**”) as of February 26, 2025. Copies of the AP Ledger and the AR Ledger are attached, respectively, as **Exhibit “E”**. The Company also provided a copy of the Company’s monthly profit and loss statements from 2022 to 2024 on the same day.

32. On April 18, 2025, the Company provided copies of the Bank Statements to the Majority Group.

33. The Bank Statements show that the Company has very little liquidity, with only CAD $425.91 and USD $4,803.73 cash in its accounts with Venn Software Inc. as of March 31, 2025 and April 17, 2025, respectively.

A. Assets

34. According to the December 31, 2023 unaudited financial statements, as of December 31, 2023 the Company had total assets of approximately $69,032,413, consisting of, among other things, approximately $5,121,013 of current assets and $63,700,062 of intellectual property.

35. According to the AR Ledger, as of February 26, 2025 the Company had a total of approximately $996,544.81 of accounts receivable, with the vast majority, in the amount of $630,796.27, being over 91 days old.

B. Liabilities

36. According to the December 31, 2023 unaudited financial statements, as of December 31, 2023 the Company had total liabilities of approximately $3,115,759, consisting of $694,461 of current liabilities and $2,421,298 of non current liabilities. I have not personally verified these amounts, but have concerns that they understate the Company's total liabilities as of that date, as I believe the statement does not include the full Majority Group Debt in its calculation of liabilities.

37. According to the AP Ledger, as of February 26, 2025, the Company had a total of approximately $239,334.23 in accounts payable.

C. Cash Flow Forecast

38. The Proposed Monitor has built a two-week cash flow forecast (the "**Cash Flow Forecast**") from the AP Ledger, the AR Ledger, a copy of the Company's profit and loss statement as of December 1, 2024, and the Bank Statements, which relies entirely on the veracity of these documents. A copy of the Cash Flow Forecast will be provided with the Proposed Monitor's Pre-Filing Report.

39. The two-week Cash Flow Forecast is only intended to provide sufficient forecasting, such as we are able on the limited information available to us, until the Comeback Hearing. Should this Honourable Court be prepared to grant the Initial Order, the Applicant will, in consultation with the CRO and the Proposed Monitor, prepare an updated longer-term cash flow forecast for the Comeback Hearing.

40. As the Cash Flow Forecast is based off of extremely limited information, it is subject to a number of disclaimers.

41. As is apparent from the Cash Flow Forecast, the Company is, due to the DIP Facility, projected to have sufficient cash through the Initial Stay Period.

IV. CREDITORS

A. Bank of Montreal Secured Debt

42. The Company and the Bank of Montreal ("**BMO**") entered into an operating demand loan revolving facility (the "**Line of Credit**") on or about December 19, 2019. A copy of a discussion paper (the "**BMO Discussion Paper**"), without Schedule "A", setting out what I understand to be the terms of the Line of Credit, is attached as **Exhibit "F"**.

43. The Majority Group has not been provided with the final loan and security documents for the Line of Credit.

44. According to the BMO Discussion Paper, the Line of Credit is a revolving working capital facility with a total availability of $750,000, that bears interest at prime plus 1.75% and is repayable on demand. The Company has not provided a copy of Schedule "A" to the BMO Discussion Paper, which apparently identifies additional covenants. I do not know the content of these additional covenants, if any.

45. The BMO Discussion Paper indicates that BMO required that the Company grant BMO a first-ranking security interest over the Company's present and after-acquired personal property as security for the Line of Credit. While I have not seen a copy of any security agreement between the Company and BMO, I have reviewed a search of the Ontario Personal Property Register dated May 15, 2025 (the "**PPSA Search**"), which indicates that BMO registered a financing statement against the Company on January 23, 2020 for inventory, equipment, accounts, other, and motor vehicles. I note that this registration was made over one month after the BMO Discussion Paper was issued. A copy of the PPSA Search is attached as **Exhibit "G"**.

46. As discussed below, Arbat is not, at this time, seeking any court-ordered charges that will prime BMO's security interest against the Company.

47. The PPSA Search indicates that the Company's only other secured creditor, besides BMO, is BMW Canada Inc ("**BMW Canada**"). BMW Canada's secured interest is outlined below at paragraph 74.

48. As I do not have access to the covenants identified in Schedule "A" to the BMO Discussion Paper, I cannot confirm whether there is a covenant or other condition that makes the failure to pay other debts a default under the Line of Credit.

49. The most recent BMO Bank Statement provided to the Majority Group shows that, as of November 29, 2024, $760,252.08 was owing to BMO, and as such the Line of Credit was fully drawn.

50. The Bank Statements only provide the status of the Line of Credit up to November 29, 2024. I understand that the Company has advised that, as of May 15, 2025, the Line of Credit is on hold and that interest continues to accrue on it.

B. Arbat Loans

51. Arbat has made loans to the Company in the principal amounts of £400,000 and USD $2,000,000, as detailed below. These loans have been acknowledged by the Company and remain outstanding, despite demand having been made on December 3, 2024. At the Bank of Canada's March 28, 2025 exchange rates, these loans total approximately $6,857,578 dollars, inclusive of principal and interest.

Arbat GBP Loan

52. Pursuant to a loan agreement between Arbat and Second Cup dated June 25, 2018 (the "**Arbat GBP Loan Agreement**"), Arbat loaned £400,000 to Second Cup (the "**Arbat GBP Loan**"). A copy of the Arbat GBP Loan Agreement is attached as **Exhibit "H"**.

53. The particulars of the Arbat GBP Loan are as follows:

(a) Principal Amount: £400,000

(b) Use of Funds: to fund Second Cup's acquisition of assets related to Second Cup cafés to be opened in the United Kingdom.

(c) Interest: 16% per annum, payable quarterly in arrears.

(d) Term: three years, to mature and come due on June 25, 2021.

(e) Security: 40% of the shares of the Company's UK subsidiary, to be incorporated.

(f) Governing Law: Ontario

(g) Events of Default: among other things, the failure to pay any interest, principal, or other amounts when due and payable, without need for demand.

54. Pursuant to Sections 6(e) and 6(f), Second Cup covenanted to

(a) "keep proper books of record and account…and provide the Lender with annual financial statements, and provide a report on [Second Cup's] receivables and payables at the Lender's request"; and

(b) "permit the lender at any reasonable time or times…to examine and make copies of…the books and records of [Second Cup]"

Collectively, the "**Disclosure Covenant**".

55. As of May 16, 2025, approximately £840,810.95 remains outstanding on the Arbat GBP Loan, inclusive of principal and accrued interest.

56. As the UK subsidiary was never incorporated, the Arbat GBP Loan is, in effect, unsecured.

Arbat USD Loan

57. Pursuant to a loan agreement dated April 3, 2019 between Arbat on the Company (the "**Original Arbat USD Loan Agreement**"), Arbat loaned USD $1,000,000 to the Company (the "**Original Arbat USD Loan**"). A copy of the Original Arbat USD Loan Agreement is attached as **Exhibit "I"**.

58. The Original Arbat USD Loan Agreement was amended on May 9, 2019, and July 22, 2019 to increase the outstanding principal from USD $1,000,000 to USD $1,500,000, and then to USD $2,000,000 (collectively, the "**Arbat USD Loan**" and together with the Arbat GBP Loan, the "**Arbat Loans**"). Copies of the amending agreements dated May 6, 2019

and July 22, 2019 are attached as **Exhibits "J"** and **"K"** and form, together with the Original Arbat USD Loan Agreement, the "**Arbat USD Loan Agreement**".

59. The particulars of the Arbat USD Loan (inclusive of all amendments) are as follows:

(a) Principal Amount: USD $2,000,000

(b) Use of funds: general corporate purposes

(c) Interest: 10% per annum, payable quarterly in arrears. As and from the occurrence of an Event of Default, the interest rate increases by 5% to 15% per annum.

(d) Term:

(I) The Original Arbat USD Loan term was two years, to mature and come due on April 10, 2021.

(II) The additional USD $500,000 loaned on May 9, 2019 was for a one year term, to mature and come due on May 6, 2020.

(III) The additional USD $500,000 loaned on July 22, 2019 was for a one year term, to mature and come due on July 22, 2020.

(e) Security: A pledge of 1,666,667 Class A shares of the Company, owned by Mr. Ragas, being half of Mr. Ragas' shares and 15% of the Company's total issued and outstanding Class A shares.

(f) Governing Law: Ontario

(g) Events of Default: among other things, the failure to pay any interest, principal, or other amounts when due and payable, without need for demand.

60. The Arbat USD Loan Agreement also includes a Disclosure Covenant from Second Cup.

61. The Company has paid approximately USD $31,369.86 of the Arbat USD Loan, with approximately USD $3,753,006.83 due and owing as of May 16, 2025.

Arbat Loan Acknowledgements

62. The Arbat Loans have been repeatedly acknowledged by the Company.

63. The Company acknowledged the principal and interest owing on the Arbat Loans on the following dates. Each of the following acknowledgements was made in respect of each of the Arbat Loans:

Acknowledgements of the Arbat Loans	
Effective Date of Acknowledgement	**Exhibit**
December 31, 2019	"L"
December 31, 2020	"M"
December 31, 2021	"N"
December 31, 2022 and December 31, 2023	"O"

64. Each of the acknowledgements was signed by Mr. Ragas and stamped with the Company's seal. The most recent acknowledgement confirmed that, as of December 31, 2023, the Company owed Arbat USD $2,894,014 and £752,964.

65. More recently, on October 22, 2024, Mr. Ragas sent an email to me confirming that the Majority Group Loans exist and are outstanding.

Share Pledge

66. As security for the Arbat USD Loans, Mr. Ragas agreed to pledge 300,000 Class "A" shares (the "**Pledged Shares**") of the Company in favour of Arbat. The Pledged Shares represent half of the total Second Cup Class "A" shares held by Mr. Ragas. A copy of the Share Pledge Agreement dated April 3, 2019 is attached as **Exhibit "P"**. The Share Pledge Agreement was later amended to pledge an additional 1,366,667 Class "A" shares, for a total pledge of 1,666,667 of Mr. Ragas' shares in the Company in favour of Arbat. As stated above, Mr. Ragas owns 3,000,000 Class "A" shares in the Company. A copy of this amendment, dated July 22, 2019, is attached as Exhibit "K".

67. As detailed below, on December 3, 2024, Arbat made demand on the Company in respect of the Arbat Loans and on Mr. Ragas in respect of the Pledged Shares, which demand has not been satisfied. At this time, Arbat is not pursuing enforcement of the Pledged Shares and, as set out above, is seeking to stay any enforcement of the Pledged Shares

for the duration of the Initial Stay Period. Should this Honourable Court grant the Initial Order, Arbat will seek to stay any enforcement on the Pledged Shares for a further 120 days. Arbat and the Majority Group's current priority is to devote their time and resources towards understanding the Company's financial and operational circumstances and stabilizing them, rather than on eroding Mr. Ragas' equity position.

C. Other Shareholder Debt

68. In addition to the debt owed to Arbat, the Company is also indebted to Park and to Bortsova (the "**Park Loan**" and the "**Bortsova Loan**", respectively, and together, the "**Majority Group Loans**").

69. The Park Loan and the Bortsova Loan were each made on substantially similar loan agreements (the "**Park Loan Agreement**" and the "**Bortsova Loan Agreement**") dated June 14, 2018. Copies of the Park Loan Agreement and the Bortsova Loan Agreement are attached as **Exhibit "Q"** and **"R"**.

70. The terms of the Park and Bortsova Loans are as follows:

(a) Principal Amount: £300,000 (each)

(b) Use of Funds: to fund Second Cup's acquisition of assets related to Second Cup cafes to be opened in the United Kingdom.

(c) Interest: 16% per annum, payable quarterly in arrears.

(d) Term: three years, to mature and come due on June 25, 2021.

(e) Security: 40% of the shares of the Company's UK subsidiary, to be incorporated (each)

(f) Governing Law: Ontario

(g) Events of Default: among other things, the failure to pay any interest, principal, or other amounts when due and payable, without need for demand.

71. Each of the Park Loan Agreement and the Bortsova Loan Agreement includes a Disclosure Covenant, in the same form as in the Arbat GBP Loan Agreement.

72. No payments have ever been made on either the Park or Bortsova Loans, notwithstanding that they came due in 2021 and that demand has been made on each loan.

73. As of May 16, 2025, approximately £630,608.21 remains outstanding on each of the Park and Bortsova Loans, inclusive of principal and interest.

D. BMW Canada

74. As mentioned at paragraph 47, BMW Canada has registered a security interest against the Company. BMW's security interest was registered on March 2, 2023, and is against a vehicle used by the Company for corporate purposes.

V. CHALLENGES FACED BY THE DEBTOR AND NEED FOR URGENT CCAA RELIEF

75. The Majority Shareholders and Directors, who are also the Majority Creditors, have lost faith in the Company's ability to repay the Majority Group Loans, which are due, along with the source deductions and payroll, without a restructuring.

76. The Company is in crisis, being unable to pay the Majority Group Loans, source deduction arrears, or auditor fees. The Line of Credit is fully extended and I do not know if the Company will be able to fund interest payments. I also understand that the Company's director of finance resigned in early May, 2025.

77. I verily believe that the Company requires relief pursuant to the CCAA to restructure its affairs in the best interest of its stakeholders.

A. Second Cup Has Been Unable to Pay the Majority Group Loans and Unwilling to Restructure

78. On July 11, 2024, Mr. Ragas advised Arbat that the Company did not have any ability to repay the Arbat Loans. A copy of Mr. Ragas' email of July 11, 2024 is attached as **Exhibit "S"**.

79. Mr. Lojevsky advised me that he travelled to Toronto to meet with Mr. Ragas and Kaleem Haider, the Company's former director of finance, in September 2024. The purpose of this meeting was to look at Second Cup's books and records to better understand the Company's financial situation. Mr. Lojevsky reported back to the Majority Group and advised that, in the course of his discussions with Mr. Haider, it became clear that the Company had no cash and that its line of credit was fully drawn. This was also the first time that the Majority Group learned that the Company's auditor had not been paid.

80. In light of this discovery, and in the interests of maintaining the Company as going concern, on October 3, 2024, Arbat, via email from myself to Mr. Ragas, made the Company an offer to restructure and extend the Arbat Loans. This offer was made for the purpose of enabling the Company time to address its financial distress. The offer included an extension of maturity dates, a reduction of the interest payable for 2025 from 16% to just 1% per annum, and no equity conversion. A copy of the offer email is attached as **Exhibit "T"**.

81. Unfortunately, while the Company acknowledged the need to restructure, the parties were not able to arrive at terms throughout October or November 2024.

82. The Board held two meetings in November 2024 to discuss information disclosure to the Board, continuing the audit, and the Company's ongoing financial distress.

83. Following these meetings, it became clear that the Company was unable to work towards a restructuring of the Majority Group Loans. As a result, Arbat and the other members of the Majority Group determined that the viable path forward to protect their interests was to make demand on the Majority Group Loans. These demands, along with notices pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") addressed to Mr. Ragas personally, in respect of the Pledged Shares, were delivered on December 3, 2024. Copies of these demands and Section 244 notices are attached as **Exhibit "U"**.

84. On December 10, 2024, following delivery of these demands, Mr. Ragas again confirmed in writing that the Company would be unable to repay the loans.

B. Auditor Resignation

85. Until its resignation on March 7, 2025, the Company's auditor was Raymond Chabot Grant Thornton LLP ("**RCGT**"). RCGT had been engaged to complete audits for 2022 and 2023.

86. In September 2024, the Majority Group learned that the Company was not paying RCGT as the Company lacked the funding to do so. The Majority Group eventually provided payment of RCGT's fees and engaged in discussions with RCGT from December 2024 to February 2025 to move the audit process forward. Unfortunately, RCGT nonetheless resigned as auditor on March 7, 2025.

C. Unpaid Source Deductions

87. Through discussions with RCGT in February 2025, the Majority Group first learned that the Company's source deductions have not been remitted to the CRA since 2021.

88. Following discussions with the Company on May 1, 2025, the Majority Group learned that approximately $400,401 was owing to the CRA for source deductions as of February 3, 2025 – the most recent date provided.

89. The Majority Group does not, as of the date of swearing, have access to the Company's CRA portal, meaning that the Majority Group has not been able to independently review the Company's tax position.

D. The Company is Unable to Honour its Payroll Obligations

90. On May 15, 2025, the Majority Group learned that the Company does not currently have sufficient liquidity to honour its payroll obligations that are due on May 23, 2025 (one day after the return date for this application). The Company is no longer able to draw upon the Line of Credit and I understand that the Company does not have any certainty as to

whether it will collect sufficient accounts receivable prior to May 23, 2025 to make payment.

91. The failure to pay employees when due would obviously have a catastrophic impact on the Company and its stakeholders. Any unpaid employee wages would also become a Board liability.

92. The result of these difficulties is that the Company is unable to repay its long term Majority Group Debt, has fully drawn its Line of Credit, was unable to pay its auditor – who has now resigned, has failed to pay over $400,000 of source deductions, no longer has a director of finance, and does not have sufficient cash to remit payroll due on Friday, May 23, 2025. The Company urgently requires relief under the CCAA and a stay of proceedings, as well as the other tools available under the CCAA to restructure its affairs.

VI. FIRST 45 DAYS OF CCAA PROCESS

93. If this Honourable Court is prepared to grant the Initial Order, then the Applicant proposes that this CCAA proceeding, in light of its particular circumstances, should progress along the framework set out below.

94. First, between the granting of the Initial Order and the Comeback Hearing, the CRO, in consultation with the Proposed Monitor would:

(a) Meet with the Company’s suppliers and other critical vendors to understand the status of the supply chain;

(b) Meet with the Company’s franchisees to understand the status of franchise operations and overall support of the franchisees;

(c) Meet with the Company's management, including Mr. Ragas, to obtain the information necessary to develop a working cash flow forecast and to understand the Company's current operational and finance issues;

(d) Meet with the Company's Board to understand the Board's concerns and to offer preliminary findings for guiding this CCAA process; and

(e) Prepare a report to this Honourable Court that provides a six-week cash flow, a highlight of the key operational and financial issues, and confirms the Company's management's cooperation with this CCAA process.

95. Second, should this Honourable Court be prepared to grant an amended and restated Initial Order at the Comeback Hearing, the CRO, in consultation with the Proposed Monitor would, over the following 30 to 45 days, continue its efforts to advance its understanding of the Company. These efforts would include accessing and reviewing all of the Company's financial and operational information, and continuing to meet with management, suppliers, and franchisees.

96. The Company may also use this period after the Comeback Hearing to conduct a claims process in order to better understand the universe of claims that exist against the Company.

97. Arbat would likely seek a stay period extension at the Comeback Hearing sufficient to permit this 30 to 45 day review, subject to the cash flow forecast.

98. At the conclusion of 30 to 45 days, the CRO, in consultation with the Proposed Monitor, would provide a report to the Company's Board on the state of the Company's finances, operations, and present strategic options on restructuring the Company's debt.

99. The Applicant, along with the Monitor, would then present on these options and the best path forward at a stay extension motion and, if necessary and appropriate, seek this Honourable Court's approval of further relief at that time.

VII. RELIEF SOUGHT

A. Appointment of Monitor

100. The Proposed Monitor is a "trustee" within the meaning of the BIA and has consented, subject to Court approval, to act as the Company's CCAA monitor.

101. The Proposed Monitor is not subject to any of the restrictions on who may be appointed as a monitor under the CCAA, as set out in section 11.7(2) of the CCAA.

102. The Proposed Monitor previously acted as an advisor to the Board. In such role, the Proposed Monitor has already become well acquainted with the Company's finances, operations, and challenges. As a result, the Proposed Monitor is well-suited to act as monitor of the Company.

103. The Proposed Monitor is a legally separate entity from RCGT. RCGT and the Proposed Monitor have separate partnerships and separate management.

104. The Proposed Monitor has reviewed and assisted in the preparation of the Cash Flow Forecast and has provided guidance and assistance in the commencement of this CCAA proceeding.

105. To assist the CRO with its duties, the draft Initial Order would require the Company to provide the Proposed Monitor with weekly budgeted cash flows and authorize the Proposed Monitor to approve those budgets. The Monitor would also be empowered to review the Company's actual spending over the previous week.

106. The Proposed Monitor's consent to act as monitor is attached as Tab 5 to the Application Record.

B. Appointment of Chief Restructuring Officer

107. Arbat seeks the appointment of Maxim Lojevsky as the CRO.

108. Mr. Lojevsky holds a Bachelor of Science in Finance degree from Boston College and has over 20 yeas of experience in asset management, private equity, and capital markets. Currently, Mr. Lojevsky is the founding partner and CEO of Bluegrove Capital Management Ltd., an independent asset management firm based in London, England. Mr. Lojevsky was previously a managing director at Deutsche Bank and has also held positions at BNP Paribas, a global European leader in banking and financial services headquartered in Paris, and UBS, a multinational bank and financial services firm in Switzerland.

109. In addition to his extensive professional background, Mr. Lojevsky is chairman of the Board and has expertise in respect of the global coffee café landscape. I believe Mr. Lojevsky is well-suited to assist the Company, in consultation with the Proposed Monitor, throughout the proposed CCAA proceedings.

110. The final terms of Mr. Lojevsky's engagement as CRO are being drafted. I understand that a copy of the CRO Engagement is expected to be filed with the Court prior to the hearing of this Application.

111. While the terms of the engagement are not yet final, Mr. Lojevsky's compensation as CRO will consist of a 2% to be paid upon a successful restructuring or sale of the Company in a court-supervised process.

112. I believe that the appointment of a CRO is reasonable and necessary. I believe that the CRO will provide the Company with the stable and independent oversight necessary to preserve the Company's going-concern value during the course of a restructuring.

113. A CRO is especially necessary as the Company does not have a chief financial officer and the Company's director of finance resigned in early May 2025.

114. The proposed CRO has consented to act in this proceeding. I understand that the Proposed Monitor also believes that the appointment of a CRO is reasonable and necessary in the circumstances and supports the engagement of Mr. Lojevsky as CRO, pursuant to the terms of the CRO Engagement.

C. Stay of Proceedings

115. The Company requires the Stay of Proceedings to maintain the status quo and to provide the Company with the breathing space it requires to provide the Board and the CRO with the information they need to better understand the Company's financial position, and to formulate either a plan of arrangement or a sale and investment solicitation process. A proceeding with the protections of the CCAA will provide the fastest, most efficient, and least-stigmatic means of stabilizing the business, which in turn will maintain its going-concern value and preserve relationships with Franchisees.

116. The proposed Initial Order contemplates an Initial Stay Period of 10 days, up to and including June 1, 2025, in accordance with the CCAA.

117. The Cash Flow Forecast illustrates, as best as the Proposed Monitor is able to with the limited information available, that the Company will have sufficient cash to operate through the proposed Initial Stay Period.

118. In the interest of full and frank disclosure, the Initial Stay Period would also have the effect of staying, as against the Company, an oppression application commenced by Levelen

Corp., Leonid Pekker, and Vera Pekker (the "**Levelen Application**"). This application was commenced in the Ontario Superior Court of Justice (Commercial List) and bears court file number CV-24-00727683-00CL. The Levelen Application relates to a dispute over shares held by a former shareholder of the Company that were compulsorily repurchased by the Company following a breach of the then-extant unanimous shareholders agreement.

119. The Proposed Monitor supports Arbat's request for an Initial Stay Period.

D. Stay in Respect of the Directors

120. Arbat seeks a stay of proceedings as against Second Cup's current and former directors and officers for the duration of the Initial Stay Period (the "**D&O Stay**"). Arbat also anticipates requesting that the D&O Stay be extended at the Comeback Hearing.

121. The D&O Stay is necessary to ensure that the Board and the Company's officers remain focused on restructuring the Company, rather than on strategic litigation brought by third parties seeking to pursue their own narrow interests.

122. The D&O Stay would also have the effect of staying the Levelen Application in respect of the current and former directors, including Mr. Ragas.

E. Administration Charge

123. Arbat seeks a super-priority charge (the "**Administration Charge**") on the Company's Property (as defined in the draft Initial Order) up to a maximum amount of $275,000, to secure the fees and disbursements of the Monitor and its counsel, the CRO, and counsel to Arbat, incurred both before and after the commencement of the CCAA proceedings, through to the Comeback Hearing.

124. The Monitor and its counsel and the CRO have been extensively involved in planning and preparing this initial application under the CCAA. It is contemplated that each of the

aforementioned parties, (i) will have extensive involvement during the proposed CCAA proceedings; (ii) will continue to contribute to the Company's restructuring; and (iii) will ensure that there is no unnecessary duplication of roles among the parties.

125. I understand that the Monitor has reviewed the proposed quantum of the Administration Charge and is of the view that it is reasonable and appropriate in the circumstances given the pre-filing services preformed by Arbat's counsel and the Monitor and its counsel, and the work required to be completed by these professionals during the Initial Stay Period.

126. The Administration Charge is proposed to rank (i) in subordination to the security interests held by BMO, and (ii) in priority to all other security interests given by the Company, as well as the Directors' Charge and the DIP Lender's Charge.

127. Arbat will likely seek to increase the Administration Charge at the Comeback Hearing.

F. DIP Loan and Charge

128. Arbat has limited visibility into the Company's current cash needs or its expected cash in-flows during the Initial Stay Period. I am concerned, especially due to the Line of Credit being fully drawn, the Company's inability to pay payroll, and the Company's other liquidity concerns discussed at length in this affidavit, that the Monitor will determine that the Company urgently requires cash to maintain supplier or other key relationships, but is unable to meet them.

129. As discussed above, the Cash Flow Forecast is only based on best estimates at this time and may materially misstate the Company's cash needs during the Initial Stay Period.

130. As a result, Arbat is prepared to extend interim financing (the "**DIP Loan**") to the Company, only to be drawn upon in the event that the CRO, in consultation with the Proposed Monitor, determines that it is reasonable and necessary in the circumstances for the Company to draw on the funds, including but not limited to payroll expenses. The DIP

Loan is intended to provide an amount of funding to the Company that the Monitor believes is reasonable to cover any potential costs that arise between the granting of the Initial Order and the Comeback Hearing.

131. Arbat has executed a debtor-in-possession financing term sheet (the "**DIP Term Sheet**") attached hereto as Exhibit "A", which sets out the terms on which Arbat is prepared to offer Second Cup the DIP Loan.

132. The materials terms of the DIP Term Sheet are as follows:

(a) Principal Amount: $200,000 through to the Comeback Hearing. The Applicant may seek an increase to the principal amount at the Comeback Hearing, in the event that the Monitor determines such funds are needed.

(b) Purpose of DIP Loan: to fund (i) the Company's working capital needs, including payroll, and (ii) such other costs and expenses of the Company as may be agreed to by the Applicant and the Monitor, in writing.

(c) Maturity Date: the earliest of (i) November 22, 2025; (ii) the closing of a Court-approved sale or investment transaction; (iii) the implementation of a plan of compromise or arrangement within these CCAA proceedings; (iv) the date on which these CCAA proceedings are terminated for any reason; and (v) the occurrence of an Event of Default (as defined in the DIP Term Sheet), subject to a three day cure period.

(d) Interest Rate: 9% per annum, calculated daily on the outstanding balance owing under the DIP Loan, not in advance, and accruing and paid on the Maturity Date.

(e) Recoverable Expenses: the Company shall pay all fees and expenses incurred by the Applicant in connection with the preparation, registration, and ongoing administration of this Term Sheet, the DIP Loan, the Initial Order, the ARIO, any other orders issued in the CCAA Proceedings, the DIP Lender's Charge, and with the enforcement of the Applicants rights and remedies under the DIP Term Sheet, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Applicant. For greater certainty, the "Recoverable Expenses" will only apply to the Applicant's fees and expenses related to, and arising from, its capacity as lender under the DIP Term Sheet and not in its capacity as the applicant in these proceedings generally.

(f) Commitment Fee: $4,000.00, equal to 2% of the aggregate availability under the DIP Loan as security for the high risk and speculative DIP Loan.

(g) DIP Lender's Charge and Court Approval: The DIP Loan is to be secured by a court-ordered priority charge in the maximum amount of $200,000 plus all accrued interest and fees, over all present and future properties, assets, and undertakings of the Company, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof, subject only to BMO's security interest, the Administration Charge, and the Directors' Charge (as defined above, the "**DIP Lender's Charge**"). The DIP Loan will be available to the Company upon the issuance of the proposed Initial Order.

133. While Arbat has not canvassed the market for other potential financing providers, given the Company's liquidity challenges and lack of hard assets, I do not expect that any other lender would be prepared to offer the Company interim financing on the terms of the DIP Term Sheet, including with respect to interest rate and the DIP Loan's subordinated position.

134. The DIP Loan creates risk that Arbat is spending good money to recover bad debts. However, Arbat is prepared to make the DIP Loan available to the Company in the interest of creating a successful restructuring for all of the Company's stakeholders.

135. Therefore, Arbat is requesting that this Court authorize, approve, and direct the Company to execute the DIP Term Sheet and that this Court authorize and order the DIP Lender's Charge.

136. As mentioned above, Arbat may seek to increase the quantum of the DIP Loan and DIP Lender's Charge in the event that additional funds are needed.

137. The Proposed Monitor is supportive of the DIP Loan and DIP Lender's Charge. As I do not expect that Mr. Ragas will agree to counter-sign the DIP Term Sheet, the proposed Initial Order would authorize the CRO to execute the DIP Term Sheet on the Company's behalf.

138. Arbat may seek approval of an Amended and Restated DIP Term Sheet at the Comeback Hearing.

G. Directors Charge

139. Arbat seeks a charge in favour of the Company's directors (defined above as the "Directors Charge") in the amount of $100,000.

140. The Directors' Charge is intended to protect the Board from any personal liability that may attach to them because of the Company's failure to meet certain obligations. I am concerned that the Board, especially the other members of the Majority Group and I, may be placed in a position where their personal interests diverge from those of the Company and its stakeholders if they are not protected against personal liability that may arise in this proceeding.

141. As discussed above, the Company has not remitted approximately $400,000 of source deductions to the CRA. As a result, the members of the Majority Group, including myself, are very concerned that we could be facing personal liability for this amount, notwithstanding that we were unaware of these arrears until May 1, 2025.

142. The Directors' Charge will ensure that the Board, including Mr. Ragas, will remain available and willing to guide the Company through this proceeding and through a restructuring process.

143. I further understand that the Company's D&O insurance policy has lapsed, with the result that there is a very real risk of personal exposure to the Board if the Directors' Charge is not granted.

144. The Directors' Charge is intended to rank below BMO's security interest and the Administration Charge, and above the DIP Lender's Charge.

H. Relief that May Be Sought at the Comeback Hearing

145. At this stage, it is difficult to identify with precision the exact relief Arbat will seek at the Comeback Hearing.

146. The Applicant expects that, following investigation of the Company by the Proposed Monitor and CRO, the Company will require an increase under the DIP Loan. Arbat does not yet have the insight needed to estimate the size of such funding required.

147. The stabilization of the Company through the Initial Stay Period will provide breathing room to develop alternatives to deal with the Company's debt issues, such as refinancing, a sale, or other restructuring to be considered. Arbat intends to work with the CRO, the Monitor, and the Company to determine the most appropriate avenue to restructure the Company's debts for the benefit of all stakeholders, whether it be a plan of arrangement or a going-concern sale process.

148. Arbat may also seek this Honourable Court's approval of a claims process at the Comeback Hearing. A claims process would have the benefit of helping to identify and crystalize the universe of claims that exist against the Company, and assist the Applicant, the Proposed Monitor, and the CRO in determining the best next steps in this process.

149. Arbat anticipates seeking an extension of the stay of proceedings. Arbat may also seek approval of an increase under the DIP Loan and an amendment to its terms if, following investigation, the Company appears to require immediate further funding.

VIII. FORM OF ORDER AND CONCLUSION

150. Arbat, with the assistance of its legal and financial advisors, has determined that the proposed CCAA proceedings represent the best available strategy to maximize value for Second Cup's stakeholders in the circumstances.

151. I swear this affidavit in support of an Initial Order in the form contained at Tab 3 of the Application Record, and for no other or improper purpose.

AFFIRMED by Alexey Golubovich at London, in the United Kingdom, before me before me at the City of Toronto, in the Province of Ontario, on May 19, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. DocuSigned by: Matthew Cressatti DA79353421D842D... Commissioner for Taking Affidavits **MATTHEW CRESSATTI**	Подписант: Alexey Golubovich 3856BACE1F23499... **ALEXEY GOLUBOVICH**

This is Exhibit "D" referred to in the Affidavit of Alexey Golubovich affirmed by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Matthew Cressatti

DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

May 29, 2025

The Second Cup Coffee Company Inc.
12 Bruce Park Avenue
Suite 1st Floor
Toronto, ON M4P 2S3

Attention: **Maxim Lojevsky, Chief Restructuring Officer**

Re: **Debtor-in-Possession Financing of The Second Cup Coffee Company Inc. (the "Borrower")**

A. On May 22, 2025, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted an an initial order (the "**Initial Order**") on application by Arbat Capital Group Ltd. (the "**Lender**") among other things: (i) commencing proceedings under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**") in respect of The Second Cup Coffee Company Inc. (the "**Borrower**"); (ii) imposing a stay of proceedings in favour of the Borrower (the "**Initial Stay**"); (iii) approving this Term Sheet and granting the DIP Lender's Charge (as defined herein); (iv) approving the engagement of Maxim Lojevsky as Chief Restructuring Officer of the Borrower (in such capacity, the "**CRO**"); and (v) appointing Grant Thornton Limited as monitor of the Borrower (in such capacity, the "**Monitor**") for the proceedings initiated by the Initial Order (the "**CCAA Proceedings**").

B. Prior to the expiry of the Initial Stay, the Lender intends to seek an amended and restated initial order granting, among other things, the relief set out in Section 13 (as may be further amended and restated from time to time, the "**ARIO**").

C. In order to satisfy the cash flow requirements of the CCAA Proceedings and other short-term liquidity requirements of the Borrower, the Lender has agreed to establish a debtor-in-possession loan facility in the maximum aggregate principal amount of $900,000, subject to, and in accordance with, the terms and conditions of this term sheet (this "**Term Sheet**").

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

SUMMARY OF AMENDED AND RESTATED TERMS FOR DIP FACILITY

1.	**Borrower:**	The Second Cup Coffee Company
2.	**Lender:**	Arbat Capital Group Ltd.
3.	**DIP Facility:**	Non-revolving credit facility in the maximum aggregate principal amount of $900,000 plus applicable interest, fees and costs (the "**DIP Facility**").
4.	**Purpose:**	The DIP Facility shall be available to fund: (a) working capital needs of the Borrower; (b) professional fees and expenses incurred by the Borrower and the Monitor in respect of the CCAA Proceedings; (c) debt service obligations of the Borrower, in accordance with the Cash Flow Forecast (as defined below); (d) the Recoverable Expenses (as defined herein); and (e) such other costs and expenses of the Borrower as may be agreed to by the Lender and the Monitor, in writing.

The amount and purpose of the DIP Facility may be amended by the Borrower and the Lender, with the consent of the Monitor, in writing, and further order of the Court. The Borrower may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrower, except in accordance with the Initial Order or the cash flow forecast approved by the Monitor and the Lender (the "**Cash Flow Forecast**") or with the prior written consent of the Lender and the Monitor.

5. Advances:

Subject to the funding conditions set out in Sections 12 and 13 of this Term Sheet, the DIP Facility shall be available in multiple advances as follows:

(a) upon the issuance of the Initial Order, $200,000, or such lesser amount as may be approved by the Initial Order and secured in full by the DIP Lender's Charge (the "**First Advance**") shall be advanced to the Borrowers to finance working capital requirements for the 10-day period immediately following the date of the Initial Order; and

(b) upon the issuance of the ARIO, the balance of the DIP Facility, being $700,000, or such lesser amount as may be approved by the ARIO and secured in full by the increased DIP Lender's Charge, shall be available to the Borrower in multiple advances in accordance with the Cash Flow Forecast ("**Subsequent Advances**", and together with the First Advance, collectively, "**Advances**").

Subsequent Advances shall be made in accordance with the Cash Flow Forecast , as amended and updated from time to time with the written consent of the Lender, or otherwise at the discretion of the Lender upon receipt of draw requests from the CRO, on behalf of the Borrower, and/or the Monitor. All Advances shall be deposited in a bank account of the Borrower, which shall be controlled by the CRO.

Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the DIP Facility at any time unless: (a) the Borrower is in compliance with the provisions of this Term Sheet and all orders granted by the Court in the CCAA Proceedings; (b) the funding conditions set forth in Section 12 or 13 of this Term Sheet, as applicable, have been satisfied or waived; and (c) the Borrower are operating within the parameters of the Cash Flow Forecast, within an allowable variance range of no more than 10% in any particular week .

6. Interest:

Interest shall accrue on amounts advanced under the DIP Facility at a rate equal to 9**%** per annum (the "**Interest**"). Interest shall be calculated on the daily outstanding principal balance owing under the DIP Facility, not in advance, and shall accrue and be paid or otherwise satisfied on the Maturity Date (as defined herein).

Notwithstanding the foregoing, upon the occurrence of an Event of Default (as defined below) and the expiry of the Cure Period (as defined below), Interest shall be increased to 14% per annum; from the date that the Cure

Period expires in respect of such Event of Default, until such time as the Obligations (as defined below) are repaid in full.

7. Recoverable Expenses:

The Borrower shall pay all fees and expenses (collectively, the "**Recoverable Expenses**") incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the Initial Order, the ARIO, any other orders issued in the CCAA Proceedings, the DIP Lender's Charge and with the enforcement of the Lender's rights and remedies hereunder and thereunder, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender. For greater certainty, "Recoverable Expenses" shall include all reasonable fees and expenses incurred by the Lender in connection with the CCAA Proceedings, including, without limitation, all Court attendances in respect thereof. If the Lender has paid any expenses for which the Lender is entitled to reimbursement from the Borrower, such expenses shall be added to the DIP Facility and shall accrue Interest at the rate set out above. All such fees and expenses and Interest thereon shall be secured by the DIP Lender's Charge whether or not any funds under the DIP Facility are advanced.

Notwithstanding the foregoing, "Recoverable Expenses" shall not include fees and expenses contemplated by the Cash Flow Forecast or secured by the Administration Charge, and in no event shall there be any 'double counting' of fees or expenses.

8. Commitment Fee:

The Borrower shall pay a commitment fee in the amount of $18,000 (the "**Commitment Fee**"), representing 2% of the aggregate availability under the DIP Facility. The Commitment Fee shall be fully earned upon Court approval of this Term Sheet and shall be paid or otherwise satisfied on the Maturity Date. The Commitment Fee shall be secured by the DIP Lender's Charge.

9. Security:

All debts, liabilities and obligations of the Borrower to the Lender under or in connection with the DIP Facility (including, without limitation, Interest, Recoverable Expenses and the Commitment Fee), this Term Sheet and any other documents executed in connection therewith (the "**Obligations**") shall be secured by a Court-ordered priority charge (the "**DIP Lender's Charge**") granted to the Lender in and to all present and future properties, assets, and undertakings of the Borrower, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (the "**Property**"), subject only to:

(a) first, the Crown in Right of Canada in respect of any claim it may have against the Debtor arising from statutory deemed trust amounts in favour of the Crown in Right of Canada which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;

(b) second, all charges and security granted by the Borrower in favour of the Bank of Montreal;

(c) third, an administration charge established by the Initial Order in the maximum aggregate amount of $500,000 for the payment of the fees and expenses of the Monitor, the CRO, counsel to the Company, counsel to the Lender in its capacity as applicant in the CCAA Proceedings, and counsel to the Monitor (the "**Administration Charge**"); and

(d) fourth, a directors' charge established by the Initial Order in the maximum aggregate amount of $220,000 as security for the indemnity provided to the directors and officers of the Borrower against obligations and liabilities they may incur after the commencement of the CCAA Proceedings (the "**Directors' Charge**").

10. Maturity Date: Unless otherwise agreed to by the Lender and the Borrower in writing, the term of the DIP Facility shall expire, and the Borrower shall repay the Obligations to the Lender, on the earliest of the following (the "**Maturity Date**"):

(a) November 22, 2025;

(b) the closing of a sale or investment transaction, including a sale of a material portion of the Property (as determined jointly by the Lender and the Monitor), which transaction has been approved by an order of the Court;

(c) the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majority of the Borrower's creditors, and by an order of the Court;

(d) the date on which the CCAA Proceedings are terminated for any reason, including if the CCAA Proceedings are converted into a proceeding under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**"); and

(e) the occurrence of an Event of Default (as defined herein), subject to a cure period of three (3) business days, beginning on the date of the occurrence of such Event of Default (the "**Cure Period**").

11. Repayment: The Obligations shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time without penalty (provided all accrued and unpaid Interest, Recoverable Expenses and the Commitment Fee are paid in full). If the Borrower chooses to prepay any amount owing under the DIP Facility, any such payment shall be applied: (i) first, to all accrued and unpaid Interest; (ii) second, to the Commitment Fee and Recoverable Expenses; and (iii) third, to any principal amount outstanding under the DIP Facility.

12. Funding Conditions for First Advance: The availability of the First Advance under the DIP Facility shall be subject to, and conditional upon, the satisfaction of the following conditions, which may be waived by the Lender in writing:

(a) the Court shall have issued the Initial Order, in a form satisfactory to the Lender, including:

i. approving this Term Sheet and the DIP Facility;

ii. authorizing the CRO to execute this Term Sheet on behalf of the Borrower;

iii. granting the DIP Lender's Charge in favour of the Lender in an amount no less than $200,000 plus interest, fees and costs;

iv. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;

v. providing that the DIP Lender's Charge shall be valid and effective to secure all of the Obligations, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrower;

vi. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and

vii. containing provisions restricting the granting of any additional liens or encumbrances on the Property, other than as permitted herein and the DIP Lender's Charge.

(b) the Initial Order shall not have been vacated, stayed, appealed, subject to leave to appeal, or amended, or varied in a manner not acceptable to the Lender, acting reasonably;

(c) the Lender shall have received and approved the Cash Flow Forecast, and such Cash Flow Forecast shall not have been varied or amended without the prior written consent of the Lender, and the Borrower shall be in material compliance with respect to same;

(d) the Lender shall be satisfied that the Borrower has complied with and is continuing to comply in all material respects with all applicable laws, regulations and orders of the Court in the CCAA Proceedings; and

(e) no Event of Default shall have occurred or shall be reasonably expected to occur as a result of the First Advance.

13. Funding Conditions for Subsequent Advances:

The availability of Subsequent Advances under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the DIP Lender in writing:

(a) the Court shall have issued the ARIO, in a form satisfactory to the Lender, including:

i. confirming the enforceability of this Term Sheet and the DIP Facility;

ii. granting the increased DIP Lender's Charge in favour of the Lender in an amount no less than $900,000 plus interest, fees and costs;

iii. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;

iv. providing that the DIP Lender's Charge shall be valid and effective to secure all of the Obligations, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrower;

v. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and

vi. containing provisions restricting the granting of any additional liens or encumbrances on the Property of the Borrower, other than as permitted herein and the DIP Lender's Charge.

(b) the ARIO shall not have been vacated, stayed, appealed, subject to leave to appeal, or amended, or varied in a manner not acceptable to the Lender, acting reasonably;

(c) the Lender shall have received and approved the Cash Flow Forecast, and such Cash Flow Forecast shall not have been varied or amended without the prior written consent of the Lender, and the Borrowers shall be in material compliance with respect to same;

(d) the Lender shall be satisfied that the Borrower has complied with and are continuing to comply in all material respects with all applicable laws, regulations and orders of the Court in the CCAA Proceedings; and

no Event of Default shall have occurred or shall be reasonably expected to occur as a result of the requested Advance.

14. Covenants:

Until such time as the Obligations have been repaid to the Lender in full, the Borrower covenants and agrees to:

(a) promptly on the receipt by the Borrower of the same, give the Lender a copy of any application or motion to vary, supplement, revoke, terminate or discharge the Initial Order, including (without limitation) any motion to the Court for the granting of new or additional security that will or may have priority over the DIP Lender's Charge, or otherwise for the variation of the priority of the DIP Lender's Charge;

(b) provide the Lender with all materials it intends to file in the CCAA Proceedings and provide the Lender and its counsel a reasonable amount of time to review same prior to filing;

(c) promptly provide the Lender with any additional financial information reasonably requested by the Lender, in its absolute, sole, and unfettered discretion;

(d) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 4 of this Term Sheet, or such other purposes as may be agreed to by the Lender and the Monitor, in writing;

(e) provide the Lender and the Monitor with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet;

(f) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;

(g) provide the Lender and its advisors, on reasonable written notice and during normal business hours, full access to the books, records, and premises of the Borrower;

(h) pay all claims which, under law, may rank prior to or *pari passu* with the DIP Lender's Charge due and payable from and after the commencement of the CCAA Proceedings, as and when such amounts are due;

(i) not declare any dividend, or make any payment to any director, officer, investor or related party of the Borrower (except salary and wages in the normal course) without the prior written consent of the Lender;

(j) keep the Property fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets;

(k) not sell, transfer, assign, convey or lease any Property, unless agreed to by the Lender;

(l) conduct all business, operations and activities in compliance with the Cash Flow Forecast;

(m) other than the Monitor, the CRO, and the legal counsel of the Monitor, engaged as of the date hereof (the "**Professional Advisors**"), or as approved in the Initial Order, not pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of a legal, financial or other advisor of any party, unless such fees, expenses or disbursements of such additional advisors, as applicable, are reviewed and approved in advance by the Monitor and the Lender, acting reasonably;

(n) not, without the prior written consent of the Lender, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge, the Directors' Charge and the DIP Lender's Charge) over any of the Property, whether ranking in priority to, or subordinate to, the DIP Lender's Charge; and

(o) comply with all orders of the Court in the CCAA Proceedings and all applicable laws.

15. Events of Default: The DIP Facility shall be subject to the following events of default (each, an "**Event of Default**"):

(a) the Borrower's failure to pay any amount due hereunder when due and payable;

(b) the Borrower's failure to comply with or fulfill, to the reasonable satisfaction of the Lender, any covenant, condition precedent, payment obligation, or other term or condition of this Term Sheet;

(c) the seeking or support by the Borrower of, or the issuance of, any Court order (in the CCAA Proceedings or otherwise) which is adverse to the interests of the Lender or otherwise not affirmatively supported by the Lender, including for certainty but without limitation, any change to the DIP Facility or the DIP Lender's Charge;

(d) the issuance of any court order staying, reversing, vacating or modifying the terms of the Initial Order, the DIP Facility or the DIP Lender's Charge without the Lender's consent;

(e) any failure by the Borrower to comply with the Initial Order, or any other Court order sought by the Lender;

(f) the Borrower becomes bankrupt or subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager or trustee in bankruptcy is appointed in respect of the Borrower or any of its Property;

(g) the filing of any plan of reorganization, arrangement or liquidation to which the Lender does not consent;

(h) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek or the result of which would be to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrower under the DIP Facility, the DIP Lender's Charge; (ii) for monetary, injunctive or other relief against the Lender; or (iii) preventing, hindering or otherwise delaying the exercise by the Lender of any of its rights and remedies hereunder, pursuant to the Initial Order or under applicable law, or the enforcement or realization by the Lender against any of its collateral;

(i) the occurrence of an event that will, in the reasonable opinion of the Lender, materially impair the Borrower's financial condition, operations or ability to perform under this Term Sheet or any order of the Court;

(j) the occurrence of any material adverse change in: (i) the business, operations, or financial condition of the Borrower; (ii) the Property; (iii) the DIP Lender's Charge, including its relative priority; (iv) the ability of the Borrower to perform its obligations to the Lender or to any person under any material contract; (v) the Lender's ability to enforce any of its rights or remedies against the Property, or for the obligations of the Borrower to be satisfied from the realization thereof; and

(k) the sale, transfer, assignment, conveyance or lease of substantially all of the business or assets of the Borrower, except as approved by the Lender in writing.

16. Remedies and Enforcement:	Following the occurrence of an Event of Default, and the expiration of the Cure Period, upon written notice to the Borrower and the Monitor, the Lender shall have the right, subject to the Lender obtaining an Order from the Court lifting the stay under the CCAA Proceedings, to: (a) seek the appointment of a receiver, an interim receiver or a receiver and manager over the Property of the Borrower, or to seek the appointment of a trustee in bankruptcy of the Borrower; (b) enforce the DIP Lender's Charge and realize on the Property and any other collateral securing the Obligations; (c) exercise the rights and powers of a secured lender and mortgagee pursuant to the *Personal Property Security Act* (Ontario) and any legislation of similar effect; and (d) exercise all such other rights and remedies available to the Lender under this Term Sheet, the Initial Order, or any other order of the Court or applicable law. No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.
17. Amendments; Waivers:	No amendment or waiver of any provision of this Term Sheet or consent to any departure by the Borrower from any provision hereof is effective unless it is in writing and signed by the Lender. Such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.
18. Timing:	Time is of the essence in this Term Sheet and the DIP Facility and all transactions contemplated thereby.
19. Severability:	Each of the provisions contained in this Term Sheet is distinct and severable and a declaration of invalidity, illegality 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.
20. Further Assurances:	The Borrower will, at its own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to the provisions set out herein.
21. Assignment:	The Borrower shall not assign its rights or obligations under this Term Sheet or any of the provisions set out herein without the prior written consent of the Lender. The Lender may assign or sell its rights or obligations under this Term Sheet to any person without the prior written consent of the Borrower or further order of the Court.
22. Governing Law:	This Term Sheet and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

23. Currency: All dollar amounts herein are in Canadian Dollars.

24. Counterparts: This Term Sheet may be executed in any number of counterparts, each of which when taken together shall constitute one and the same instrument. Any counterpart of this Term Sheet can be executed and delivered by any manner of direct electronic transmission each of which shall be deemed to be an original hereof.

Dated as of the date first written above.

ARBAT CAPITAL GROUP LTD.

Подписант:

Per: Alexey Golubovich

3856BACE1F23499...

Name: Alexey Golubovich
Title: Authorized Signatory
I have authority to bind the corporation.

ACCEPTANCE

TO THE LENDER:

For good and valuable consideration received, The Second Cup Coffee Company Inc. hereby accepts and agrees to comply with the provisions of the Term Sheet set out above.

Dated this ___ day of May, 2025.

THE SECOND CUP COFFEE COMPANY INC.

Per: ____________________________

Name: Maxim Lojevsky
Title: Chief Restructuring Officer
I have authority to bind the corporation.

This is Exhibit "E" referred to in the Affidavit of Alexey Golubovich affirmed by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

May ~~16~~29, 2025

The Second Cup Coffee Company Inc.
12 Bruce Park Avenue
Suite 1st Floor
Toronto, ON M4P 2S3

Attention: Maxim Lojevsky, Chief Restructuring Officer

Re: Debtor-in-Possession Financing of The Second Cup Coffee Company Inc. (the "Borrower")

A. ~~Arbat Capital Group Ltd. (the "**Lender**") intends to make an application to~~ On May 22, 2025, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") ~~for~~granted an an initial order (the "**Initial Order**")~~,~~ on application by Arbat Capital Group Ltd. (the "**Lender**") among other things: (i) commencing proceedings under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**") in respect of The Second Cup Coffee Company Inc. (the "**Borrower**"); (ii) imposing a stay of proceedings in favour of the Borrower (the "**Initial Stay**"); (iii) approving this Term Sheet and granting the DIP Lender's Charge (as defined herein); (iv) approving the engagement of Maxim Lojevsky as Chief Restructuring Officer of the Borrower (in such capacity, the "**CRO**"); and (v) appointing Grant Thornton Limited as monitor of the Borrower (in such capacity, the "**Monitor**") for the proceedings initiated by the Initial Order (the "**CCAA Proceedings**").

B. Prior to the expiry of the Initial Stay, the Lender intends to seek an amended and restated initial order granting, among other things, the relief set out in Section 13 (as may be further amended and restated from time to time, the "**ARIO**").

C. ~~B.~~ In order to satisfy the cash flow requirements of the CCAA Proceedings and other short-term liquidity requirements of the Borrower, the Lender has agreed to establish a debtor-in-possession loan facility in the maximum aggregate principal amount of $~~200,000~~900,000, subject to, and in accordance with, the terms and conditions of this term sheet (this "**Term Sheet**").

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

SUMMARY OF AMENDED AND RESTATED TERMS FOR DIP FACILITY

1. **Borrower:** The Second Cup Coffee Company

2. **Lender:** Arbat Capital Group Ltd.

3. **DIP Facility:** Non-revolving credit facility in the maximum aggregate principal amount of $~~200,000,~~900,000 plus applicable interest, fees and costs (the "**DIP Facility**").

4. **Purpose:** The DIP Facility shall be available to fund: (a) working capital needs of the Borrower; (b) professional fees and expenses incurred by the Borrower and the Monitor in respect of the CCAA Proceedings; (c) debt service obligations of the Borrower, in accordance with the Cash Flow Forecast (as defined below); (d) the Recoverable Expenses (as defined herein); and

(~~c~~e) such other costs and expenses of the Borrower as may be agreed to by the Lender and the Monitor, in writing.

The amount and purpose of the DIP Facility may be amended by the Borrower and the Lender, with the consent of the Monitor, in writing, and further order of the Court. The Borrower may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrower, except in accordance with the Initial Order or the cash flow forecast approved by the Monitor and the Lender (the "**Cash Flow Forecast**") or with the prior written consent of the Lender and the Monitor.

5. Advances:

Subject to the funding conditions set out in ~~Section~~Sections 12 and 13 of this Term Sheet, the DIP Facility shall be available in multiple advances as follows:

(a) upon the issuance of the Initial Order, $200,000, or such lesser amount as may be approved by the Initial Order and secured in full by the DIP Lender's Charge (the "**First Advance**") shall be ~~made available~~advanced to the ~~Borrower~~Borrowers to finance working capital requirements for the 10-day period immediately following the date of the Initial Order~~, as deemed necessary for the Borrower's immediate cash flow needs by the Monitor (the "**Advances**").~~; and

(b) upon the issuance of the ARIO, the balance of the DIP Facility, being $700,000, or such lesser amount as may be approved by the ARIO and secured in full by the increased DIP Lender's Charge, shall be available to the Borrower in multiple advances in accordance with the Cash Flow Forecast ("**Subsequent Advances**", and together with the First Advance, collectively, "**Advances**").

Subsequent Advances shall be made in accordance with the Cash Flow Forecast , as amended and updated from time to time with the written consent of the Lender, or otherwise at the discretion of the Lender upon receipt of draw requests from the CRO, on behalf of the Borrower, and/or the Monitor. All Advances shall be deposited in a bank account of the Borrower, which shall be controlled by the CRO.

Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the DIP Facility at any time unless: (a) the Borrower ~~are~~is in compliance with the provisions of this Term Sheet and all orders granted by the Court in the CCAA Proceedings; (b) the funding conditions set forth in Section 12 or 13 of this Term Sheet, as applicable, have been satisfied or waived; and (c) the Borrower ~~is~~are operating within the parameters of the Cash Flow Forecast, within an allowable variance range of no more than 10% in any particular week .

6. Interest:

Interest shall accrue on amounts advanced under the DIP Facility at a rate equal to 9**%** per annum (the "**Interest**"). Interest shall be calculated on the daily outstanding principal balance owing under the DIP Facility, not in advance, and shall accrue and be paid or otherwise satisfied on the Maturity Date (as defined herein).

Notwithstanding the foregoing, upon the occurrence of an Event of Default (as defined below) and the expiry of the Cure Period (as defined below), Interest shall be increased to 14% per annum; from the date that the Cure Period expires in respect of such Event of Default, until such time as the Obligations (as defined below) are repaid in full.

7. Recoverable Expenses:

The Borrower shall pay all fees and expenses (collectively, the "**Recoverable Expenses**") incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the Initial Order, the ARIO, any other orders issued in the CCAA Proceedings, the DIP Lender's Charge and with the enforcement of the Lender's rights and remedies hereunder and thereunder, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender~~ in its capacity as Lender under this Term Sheet~~. For greater certainty, "Recoverable Expenses" shall include all reasonable fees and expenses incurred by the Lender in connection with the CCAA Proceedings, including, without limitation, all Court attendances in respect thereof. If the Lender has paid any expenses for which the Lender is entitled to reimbursement from the Borrower, such expenses shall be added to the DIP Facility and shall accrue Interest at the rate set out above. All such fees and expenses and Interest thereon shall be secured by the DIP Lender's Charge whether or not any funds under the DIP Facility are advanced.

Notwithstanding the foregoing, "Recoverable Expenses" shall not include fees and expenses contemplated by the Cash Flow Forecast or secured by the Administration Charge, and in no event shall there be any 'double counting' of fees or expenses.

8. Commitment Fee:

The Borrower shall pay a commitment fee in the amount of $~~4,000.00~~18,000 (the "**Commitment Fee**"), representing 2% of the aggregate availability under the DIP Facility. The Commitment Fee shall be fully earned upon Court approval of this Term Sheet and shall be paid or otherwise satisfied on the Maturity Date. The Commitment Fee shall be secured by the DIP Lender's Charge.

9. Security:

All debts, liabilities and obligations of the Borrower to the Lender under or in connection with the DIP Facility (including, without limitation, Interest, Recoverable Expenses and the Commitment Fee), this Term Sheet and any other documents executed in connection therewith (the "**Obligations**") shall be secured by a Court-ordered priority charge (the "**DIP Lender's Charge**") granted to the Lender in and to all present and future properties, assets, and undertakings of the Borrower, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (the "**Property**"), subject only to:

(a) first, the Crown in Right of Canada in respect of any claim it may have against the Debtor arising from statutory deemed trust amounts in favour of the Crown in Right of Canada which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;

(b) ~~(a) first~~second, all charges and security granted by the Borrower in favour of the Bank of Montreal;

(c) ~~(b) second~~third, an administration charge established by the Initial Order in the maximum aggregate amount of $~~275,000~~500,000 for the payment of the fees and expenses of the Monitor, the CRO, counsel to the Company, counsel to the Lender in its capacity as applicant in the CCAA Proceedings, and counsel to the Monitor (the "**Administration Charge**"); and

(d) ~~(c) third~~fourth, a directors' charge established by the Initial Order in the maximum aggregate amount of $~~100,000~~220,000 as security for the indemnity provided to the directors and officers of the Borrower against obligations and liabilities they may incur after the commencement of the CCAA Proceedings (the "**Directors' Charge**").

10. Maturity Date: Unless otherwise agreed to by the Lender and the Borrower in writing, the term of the DIP Facility shall expire, and the Borrower shall repay the Obligations to the Lender, on the earliest of the following (the "**Maturity Date**"):

(a) November 22, 2025;

(b) the closing of a sale or investment transaction, including a sale of a material portion of the Property (as determined jointly by the Lender and the Monitor), which transaction has been approved by an order of the Court;

(c) the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majority of the Borrower's creditors, and by an order of the Court;

(d) the date on which the CCAA Proceedings are terminated for any reason, including if the CCAA Proceedings are converted into a proceeding under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**"); and

(e) the occurrence of an Event of Default (as defined herein), subject to a cure period of three (3) business days, beginning on the date of the occurrence of such Event of Default (the "**Cure Period**").

11. Repayment:

The Obligations shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time without penalty (provided all accrued and unpaid Interest, Recoverable Expenses and the Commitment Fee are paid in full). If the Borrower chooses to prepay any amount owing under the DIP Facility, any such payment shall be applied: (i) first, to all accrued and unpaid Interest; (ii) second, to the Commitment Fee and Recoverable Expenses; and (iii) third, to any principal amount outstanding under the DIP Facility.

12. Funding Conditions for First Advance:

The availability of the First Advance under the DIP Facility shall be subject to, and conditional upon, the satisfaction of the following conditions, which may be waived by the Lender in writing:

(a) the Court shall have issued the Initial Order, in a form satisfactory to the Lender, including:

i. approving this Term Sheet and the DIP Facility;

ii. authorizing the CRO to execute this Term Sheet on behalf of the Borrower;

iii. granting the DIP Lender's Charge in favour of the Lender in an amount no less than $200,000 plus interest, fees and costs;

iv. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;

v. providing that the DIP Lender's Charge shall be valid and effective to secure all of the Obligations, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrower;

vi. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and

vii. containing provisions restricting the granting of any additional liens or encumbrances on the Property, other than as permitted herein and the DIP Lender's Charge.

(b) the Initial Order shall not have been vacated, stayed, appealed, subject to leave to appeal, or amended, or varied in a manner not acceptable to the Lender, acting reasonably;

(c) the Lender shall have received and approved the Cash Flow Forecast, and such Cash Flow Forecast shall not have been varied or amended without the prior written consent of the Lender, and the Borrower shall be in material compliance with respect to same;

(d) the Lender shall be satisfied that the Borrower has complied with and is continuing to comply in all material respects with all applicable laws, regulations and orders of the Court in the CCAA Proceedings; and

(e) no Event of Default shall have occurred or shall be reasonably expected to occur as a result of the First Advance.

13. Funding Conditions for Subsequent Advances: The availability of Subsequent Advances under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the DIP Lender in writing:

(a) the Court shall have issued the ARIO, in a form satisfactory to the Lender, including:

i. confirming the enforceability of this Term Sheet and the DIP Facility;

ii. granting the increased DIP Lender's Charge in favour of the Lender in an amount no less than $900,000 plus interest, fees and costs;

iii. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;

iv. providing that the DIP Lender's Charge shall be valid and effective to secure all of the Obligations, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrower;

v. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and

vi. containing provisions restricting the granting of any additional liens or encumbrances on the Property of the Borrower, other than as permitted herein and the DIP Lender's Charge.

(b) the ARIO shall not have been vacated, stayed, appealed, subject to leave to appeal, or amended, or varied in a manner not acceptable to the Lender, acting reasonably;

(c) the Lender shall have received and approved the Cash Flow Forecast, and such Cash Flow Forecast shall not have been varied or amended without the prior written consent of the Lender, and the Borrowers shall be in material compliance with respect to same;

(d) the Lender shall be satisfied that the Borrower has complied with and are continuing to comply in all material respects with all applicable laws, regulations and orders of the Court in the CCAA Proceedings; and

no Event of Default shall have occurred or shall be reasonably expected to occur as a result of the requested Advance.

14. ~~13.~~ **Covenants:** Until such time as the Obligations have been repaid to the Lender in full, the Borrower covenants and agrees to:

(a) promptly on the receipt by the Borrower of the same, give the Lender a copy of any application or motion to vary, supplement, revoke, terminate or discharge the Initial Order, including (without limitation) any motion to the Court for the granting of new or additional security that will or may have priority over the DIP Lender's Charge, or otherwise for the variation of the priority of the DIP Lender's Charge;

(b) provide the Lender with all materials it intends to file in the CCAA Proceedings and provide the Lender and its counsel a reasonable amount of time to review same prior to filing;

(c) promptly provide the Lender with any additional financial information reasonably requested by the Lender, in its absolute, sole, and unfettered discretion;

(d) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 4 of this Term Sheet, or such other purposes as may be agreed to by the Lender and the Monitor, in writing;

(e) provide the Lender and the Monitor with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet;

(f) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;

(g) provide the Lender and its advisors, on reasonable written notice and during normal business hours, full access to the books, records, and premises of the Borrower;

(h) pay all claims which, under law, may rank prior to or *pari passu* with the DIP Lender's Charge due and payable from and after the commencement of the CCAA Proceedings, as and when such amounts are due;

(i) not declare any dividend, or make any payment to any director, officer, investor or related party of the Borrower (except salary and wages in the normal course) without the prior written consent of the Lender;

(j) keep the Property fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets;

(k) not sell, transfer, assign, convey or lease any Property, unless agreed to by the Lender;

(l) conduct all business, operations and activities in compliance with the Cash Flow Forecast;

(m) other than the Monitor, the CRO, and the legal counsel of the Monitor, engaged as of the date hereof (the "**Professional Advisors**"), or as approved in the Initial Order, not pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of a legal, financial or other advisor of any party, unless such fees, expenses or disbursements of such additional advisors, as applicable, are reviewed and approved in advance by the Monitor and the Lender, acting reasonably;

(n) not, without the prior written consent of the Lender, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge, the Directors' Charge and the DIP Lender's Charge) over any of the Property, whether ranking in priority to, or subordinate to, the DIP Lender's Charge; and

(o) comply with all orders of the Court in the CCAA Proceedings and all applicable laws.

15. ~~14.~~ Events of Default: The DIP Facility shall be subject to the following events of default (each, an "**Event of Default**"):

(a) the Borrower's failure to pay any amount due hereunder when due and payable;

(b) the Borrower's failure to comply with or fulfill, to the reasonable satisfaction of the Lender, any covenant, condition precedent, payment obligation, or other term or condition of this Term Sheet;

(c) the seeking or support by the Borrower of, or the issuance of, any Court order (in the CCAA Proceedings or otherwise) which is adverse to the interests of the Lender or otherwise not affirmatively supported by the Lender, including for certainty but without limitation, any change to the DIP Facility or the DIP Lender's Charge;

(d) the issuance of any court order staying, reversing, vacating or modifying the terms of the Initial Order, the DIP Facility or the DIP Lender's Charge without the Lender's consent;

(e) any failure by the Borrower to comply with the Initial Order, or any other Court order sought by the Lender;

(f) the Borrower becomes bankrupt or subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager or trustee in bankruptcy is appointed in respect of the Borrower or any of its Property;

(g) the filing of any plan of reorganization, arrangement or liquidation to which the Lender does not consent;

(h) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek or the result of which would be to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrower under the DIP Facility, the DIP Lender's Charge; (ii) for monetary, injunctive or other relief against the Lender; or (iii) preventing, hindering or otherwise delaying the exercise by the Lender of any of its rights and remedies hereunder, pursuant to the Initial Order or under applicable law, or the enforcement or realization by the Lender against any of its collateral;

(i) the occurrence of an event that will, in the reasonable opinion of the Lender, materially impair the Borrower's financial condition, operations or ability to perform under this Term Sheet or any order of the Court;

(j) the occurrence of any material adverse change in: (i) the business, operations, or financial condition of the Borrower; (ii) the Property; (iii) the DIP Lender's Charge, including its relative priority; (iv) the ability of the Borrower to perform its obligations to the Lender or to any person under any material contract; (v) the Lender's ability to enforce any of its rights or remedies against the Property, or for the obligations of the Borrower to be satisfied from the realization thereof; and

(k) the sale, transfer, assignment, conveyance or lease of substantially all of the business or assets of the Borrower, except as approved by the Lender in writing.

16. ~~15.~~ Remedies and Enforcement:	Following the occurrence of an Event of Default, and the expiration of the Cure Period, upon written notice to the Borrower and the Monitor, the Lender shall have the right, subject to the Lender obtaining an Order from the Court lifting the stay under the CCAA Proceedings, to: (a) seek the appointment of a receiver, an interim receiver or a receiver and manager over the Property of the Borrower, or to seek the appointment of a trustee in bankruptcy of the Borrower; (b) enforce the DIP Lender's Charge and realize on the Property and any other collateral securing the Obligations; (c) exercise the rights and powers of a secured lender and mortgagee pursuant to the *Personal Property Security Act* (Ontario) and any legislation of similar effect; and (d) exercise all such other rights and remedies available to the Lender under this Term Sheet, the Initial Order, or any other order of the Court or applicable law. No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.
17. ~~16.~~ Amendments; Waivers:	No amendment or waiver of any provision of this Term Sheet or consent to any departure by the Borrower from any provision hereof is effective unless it is in writing and signed by the Lender. Such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.
18. ~~17.~~ Timing:	Time is of the essence in this Term Sheet and the DIP Facility and all transactions contemplated thereby.
19. ~~18.~~ Severability:	Each of the provisions contained in this Term Sheet is distinct and severable and a declaration of invalidity, illegality 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.
20. ~~19.~~ Further Assurances:	The Borrower will, at its own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to the provisions set out herein.
21. ~~20.~~ Assignment:	The Borrower shall not assign its rights or obligations under this Term Sheet or any of the provisions set out herein without the prior written consent of the Lender. The Lender may assign or sell its rights or obligations under this Term Sheet to any person without the prior written consent of the Borrower or further order of the Court.

22. ~~21.~~ **Governing Law:**	This Term Sheet and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
23. ~~22.~~ **Currency:**	All dollar amounts herein are in Canadian Dollars.
24. ~~23.~~ **Counterparts:**	This Term Sheet may be executed in any number of counterparts, each of which when taken together shall constitute one and the same instrument. Any counterpart of this Term Sheet can be executed and delivered by any manner of direct electronic transmission each of which shall be deemed to be an original hereof.

Dated as of the date first written above.

ARBAT CAPITAL GROUP LTD.

Per: ______________________________

Name: Alexey Golubovich
Title: Authorized Signatory
I have authority to bind the corporation.

ACCEPTANCE

TO THE LENDER:

For good and valuable consideration received, The Second Cup Coffee Company Inc. hereby accepts and agrees to comply with the provisions of the Term Sheet set out above.

Dated this ___ day of May, 2025.

THE SECOND CUP COFFEE COMPANY INC.

Per: ____________________________

Name: Maxim Lojevsky
Title: Chief Restructuring Officer
I have authority to bind the corporation.

Document comparison by Workshare Compare on Tuesday, May 27, 2025 2:04:30 PM

Input:	
Document 1 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/84803840/3
Description	#84803840v3<Legal> - DIP Term Sheet (May 16, 2025)
Document 2 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/85133623/2
Description	#85133623v2<Legal> - Amended and Restated DIP Term Sheet (May 25, 2025)
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
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Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
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Moved from	3
Moved to	3
Style changes	0
Format changes	0
Total changes	108

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY INC..
Respondent

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

AFFIDAVIT OF ALEXEY GOLUBOVICH
(affirmed May 27, 2025)

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 6600
Toronto ON M5H 3S1

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Tel: 416-597-4311

Lawyers for the Applicant

TAB 3

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 29TH
	)	
JUSTICE CAVANAGH	)	DAY OF MAY, 2025

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

AMENDED AND RESTATED INITIAL ORDER

THIS MOTION, made by the Applicant, Arbat Capital Group Ltd. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the affidavit of Alexey Golubovich, affirmed May 19, 2025 (the "**First Golubovich Affidavit**"), the affidavit of Alexey Golubovich affirmed May 27, 2025 (the "**Second Golubovich Affidavit**") and the Exhibits thereto, and the report (the "**First Report**") of Grant Thornton Limited ("**GTL**") in its capacity as Court-ordered monitor (in such capacity, the "**Monitor**") of the Second Cup Coffee Company Inc. (the "**Debtor**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, The Second Cup Coffee Company

Inc. (the “**Debtor**”), Demetrios Ragas (“**Ragas**”), His Majesty the King in right of Canada, and for GTL, no one appearing for the Bank of Montreal (“**BMO**”) although duly served as appears from the affidavit of service of Kim Sellers, sworn May 27, 2025,

SERVICE

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

APPLICATION

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

POSSESSION OF PROPERTY AND OPERATIONS

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

4. **THIS COURT ORDERS** that the Debtor shall be entitled to continue to utilize its cash management system currently in place, or replace it with another substantially similar cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Debtor of funds transferred, paid, collected or other dealt within the Cash Management System, shall be entitle to provide the Cash Management System without any liability in respect there of to any Person (as

hereinafter defined) other that the Debtor, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the, Cash Management System, an unaffected creditor under any plan or compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Debtor, in accordance with the cash flow forecast appended to the First Report, (the "**Cash Flow Forecast**") shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Debtor in respect of these proceedings, at their standard rates and charges;

(c) amounts owing for goods and services supplied to the Debtor on or after the date of this order if, in the opinion of the Monitor and the CRO, such goods and services are necessary for the operation or preservation of the Business or Property;

(d) only with the consent of the Monitor, amounts owing for goods or services supplied to the Debtor prior to the Initial Order if, in the opinion of the Debtor and the Monitor, such payment is necessary or desirable to avoid disruption to the operation of the Business during the CCAA proceedings; and

(e) any and all amounts that come due and owing to BMO.

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

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers' insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Debtor following the date of this Order.

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

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes, and all other amounts related to such deductions or employee wages payable for periods following the date of this Order pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtor in connection with the sale of goods and services by the Debtor, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Debtor; and

(d) any and all amounts that come due and owing to BMO after the date of this Order.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Debtor shall pay all amounts constituting rent or payable as rent under real property

leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Debtor and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly in equal payments on the first day of each month. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Debtor is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Debtor to any of its creditors as of this date with the sole exception of such amounts payable to BMO in accordance with the Cash Flow Forecast; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business. For greater certainty, the Debtor shall continue to make any and all payments of principal, interest, and payments otherwise owing by the Debtor to BMO.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Debtor shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Debtor to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. **THIS COURT ORDERS** that the Debtor shall provide each of the relevant landlords with notice of the Debtor's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Debtor's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Debtor, or by further Order of this Court upon application by the Debtor on at least two (2) days notice to such landlord and any such secured creditors. If the Debtor disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Debtor's claim to the fixtures in dispute.

12. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtor and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Debtor in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including August 28, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtor or the Monitor, or affecting the Business or the Property, except with the written consent of the Debtor and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtor or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

15. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

19. **THIS COURT ORDERS** that during the Stay Period the Applicant shall take no further steps in enforcing any rights it may have as against shares in the Debtor held by Ragas, related to the Notice of Intention to Enforce Security delivered by the Applicant to Ragas on December 3, 2024.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Debtor shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Debtor after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Debtor shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which

charge shall not exceed an aggregate amount of $220,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 41 and 43 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Debtor's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

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

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

(a) monitor and approve in writing the Debtor's receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Debtor, to the extent required by the Debtor, in its dissemination, to the Applicant in its capacity as lender under the A&R DIP Facility Term Sheet (defined below) and its counsel of financial and other information as may be required by the Applicant which may be used in these proceedings including reporting on a basis to be agreed with the Applicant;

(d) advise the Debtor in its preparation of the Debtor's cash flow statements and reporting required by the Applicant, which information shall be reviewed with the Monitor and delivered to the Applicant as required by the Applicant;

(e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtor, to the extent that is necessary to adequately assess the Debtor's business and financial affairs or to perform its duties arising under this Order;

(f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(g) execute the CRO Engagement (as defined below) on behalf of the Debtor; and

(h) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other Persons shall forthwith advise the Monitor of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Monitor, and shall deliver all such Property to the Monitor upon the Monitor's request.

26. **THIS COURT ORDERS** that all Persons shall forthwith advise the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Monitor or permit the Receiver to make, retain and take away copies thereof and grant to the Monitor unfettered access to and use of accounting, computer, software and physical facilities relating thereto , provided however that nothing in this paragraph 26 or in paragraph 27 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Monitor due to the privilege

attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

27. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Monitor for the purpose of allowing the Monitor to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Monitor in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Monitor. Further, for the purposes of this paragraph, all Persons shall provide the Monitor with all such assistance in gaining immediate access to the information in the Records as the Monitor may in its discretion require including providing the Monitor with instructions on the use of any computer or other system and providing the Monitor with any and all access codes, account names and account numbers that may be required to gain access to the information.

28. **THIS COURT ORDERS** any and all financial institutions, banks and their affiliates, shall produce to the Monitor any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal information" about third parties as defined in *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, as amended.

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

30. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of

a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Debtor and the Applicant with information provided by the Debtor in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Debtor is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Debtor may agree.

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

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

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

35. **THIS COURT ORDERS** that the Monitor, and counsel to the Monitor, the CRO, and counsel to the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 hereof.

DIP FINANCING

36. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to obtain and borrow under the amended and restated debtor-in-possession term sheet dated as of May 29, 2025 between the Debtor, as the borrower, and the Applicant, as lender attached as Exhibit "D" to the Second Golubovich Affidavit (as may be further amended, restated, supplemented and/or modified from time to time, the "**A&R DIP Facility Term Sheet**"), in order to finance the Debtor's working capital requirements, other general corporate purposes, accrued interest, expenses, and capital expenditures, all in accordance with the terms of the A&R DIP Facility Term Sheet, provided that borrowings under the A&R DIP Facility Term Sheet shall not exceed $900,000 plus interest, fees and expenses, unless permitted by further Order of this Court.

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

38. **THIS COURT ORDERS** that the Applicant shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Facility Charge**") on the Property, in the maximum amount of $900,000 plus interest, fees, and expenses pursuant to the A&R DIP Facility Term Sheet, which DIP Facility Charge shall not secure an obligation that exists before this Order is made. The DIP Facility Charge shall have the priority set out in paragraphs 41 and 43 hereof.

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

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

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Facility Charge, the Applicant, upon three days notice to the Debtor and the Monitor, may exercise any and all of its rights and remedies against the Debtor or the Property under or pursuant to the A&R DIP Facility Term Sheet, Definitive Documents and the DIP Facility Charge, including without limitation, to cease making advances to the Debtor and set off and/or consolidate any amounts owing by the Applicant to the Debtor against the obligations of the Debtor to the Applicant under the A&R DIP Facility Term Sheet, the Definitive Documents or the DIP Facility Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Debtor and for the appointment of a trustee in bankruptcy of the Debtor; and

(c) the foregoing rights and remedies of the Applicant shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtor or the Property.

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Facility Charge (together, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $500,000);

Second – DIP Facility Charge (to the maximum amount of $900,000 plus interest, fees, and expenses pursuant to the A&R DIP Facility Term Sheet); and

Third – Directors' Charge (to the maximum amount of $220,000).

42. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

43. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, *except* that the Charges shall rank subordinate to any and all indebtedness owing by the Debtor to

(a) the BMO and all security in favour of BMO to secure such indebtedness; and

(b) the Crown in Right of Canada in respect of any claim it may have against the Debtor arising from statutory deemed trust amounts in favour of the Crown in Right of Canada which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes.

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

the Applicant and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

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

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

(b) neither the Debtor nor the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Debtor entering into the A&R DIP Facility Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Debtor pursuant to this Order, the A&R DIP Facility Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

47. **THIS COURT ORDERS** that Maxim Lojevsky is hereby appointed as the Chief Restructuring Officer ("**CRO**") over and in respect of the Debtor and shall have the powers and obligations set out in the engagement agreement between the Debtor and the CRO dated May 22, 2025 (the "**CRO Engagement**"), and enclosed to the affidavit of Jaclyn Tarola, sworn May 20, 2025 (the "**Tarola Affidavit**").

48. **THIS COURT ORDERS** that the CRO Engagement is hereby approved, subject to such minor amendments as the parties thereto may agree to with the Monitor's consent. The Monitor is hereby authorized and directed to execute the CRO Engagement, on behalf of the Debtor, in the form enclosed with the Tarola Affidavit and the Debtor is hereby authorized and directed to perform all of their its pursuant to the CRO Engagement.

49. **THIS COURT ORDERS** that subject to the terms of this Order, the CRO is hereby authorized to assist the Applicant, the Monitor, and the Debtor and to do all things, carry out all actions and perform all duties described in the CRO Engagement.

50. **THIS COURT ORDERS** that in addition to the rights and protections afforded to the CRO by this Court, the CRO shall not be deemed to be a director, officer or trustee of the Debtor. The CRO shall not take Possession of the Property and shall not, by fulfilling his obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof, and shall be extended the same protections afforded to the Monitor under paragraphs 29 and 30 above.

51. **THIS COURT ORDERS** that the CRO shall not incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save an except for any liability or obligation incurred as a result of the CRO's gross negligence or wilful misconduct. The Debtor shall indemnify the CRO against obligations and liabilities that he may incur as CRO after the commencement of the within proceedings except to the extent that the obligation was incurred as a result of the CRO's gross negligence or wilful misconduct.

52. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, and

all rights and remedies of any Person against or in respect of the CRO are hereby stayed and suspended, except with: (i) written consent of the CRO and the Monitor; or (ii) leave of this Court.

SERVICE AND NOTICE

53. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Debtor of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names, and addresses or individual creditors publicly available unless otherwise ordered by this Court.

54. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL 'http://www.doanegrantthornton.ca/SecondCup'.

55. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Debtor and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received

on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

56. **THIS COURT ORDERS** that the Applicant, the CRO, or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

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

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

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

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

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY INC..
Respondent

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicant

TAB 4

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE ~~22ND~~ 29TH
	)	
JUSTICE CAVANAGH	)	DAY OF MAY, 2025

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

AMENDED AND RESTATED INITIAL ORDER

THIS ~~APPLICATION~~**MOTION**, made by the Applicant, Arbat Capital Group Ltd. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the affidavit of Alexey Golubovich, affirmed May 19, 2025 (the "**First Golubovich Affidavit**"), the affidavit of Alexey Golubovich affirmed May 27, 2025 (the "**Second Golubovich Affidavit**") and the Exhibits thereto, and the ~~pre-filing~~ report (the "~~**Pre-Filing**~~**First Report**") of Grant Thornton Limited ("**GTL**") in its capacity as ~~the proposed~~Court-ordered monitor (in such capacity, the "**Monitor**") of the Second Cup Coffee Company Inc. (the "**Debtor**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, The Second Cup Coffee Company Inc. (the "**Debtor**"), Demetrios Ragas ("**Ragas**"), His Majesty the King in right of Canada, and for GTL, no one appearing for the Bank of Montreal ("**BMO**") although duly served as appears from the affidavit of service of Kim Sellers, sworn May ~~20~~27, 2025~~, and on reading the consent of GTL to act as the Monitor,~~

SERVICE

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

APPLICATION

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

POSSESSION OF PROPERTY AND OPERATIONS

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

4. **THIS COURT ORDERS** that the Debtor shall be entitled to continue to utilize its cash management system currently in place, or replace it with another substantially similar cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Debtor of funds transferred, paid, collected or other dealt within the Cash Management System, shall be entitle to

provide the Cash Management System without any liability in respect there of to any Person (as hereinafter defined) other that the Debtor, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the, Cash Management System, an unaffected creditor under any plan or compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Debtor, in accordance with the cash flow forecast appended to the ~~Pre-Filing~~First Report, (the "**Cash Flow Forecast**") shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Debtor in respect of these proceedings, at their standard rates and charges;

(c) amounts owing for goods and services supplied to the Debtor on or after the date of this order if, in the opinion of the Monitor and the CRO, such goods and services are necessary for the operation or preservation of the Business or Property;

(d) only with the consent of the Monitor, amounts owing for goods or services supplied to the Debtor prior to the Initial Order if, in the opinion of the Debtor and the Monitor, such payment is necessary or desirable to avoid disruption to the operation of the Business during the CCAA proceedings; and

(e) any and all amounts that come due and owing to BMO.

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

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers' insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Debtor following the date of this Order.

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

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes, and all other amounts related to such deductions or employee wages payable for periods following the date of this Order pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtor in connection with the sale of goods and services by the Debtor, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Debtor; and

(d) any and all amounts that come due and owing to BMO after the date of this Order.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Debtor shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Debtor and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly in equal payments on the first day of each month. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Debtor is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Debtor to any of its creditors as of this date with the sole exception of such amounts payable to BMO in accordance with the Cash Flow Forecast; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business. For greater certainty, the Debtor shall continue to make any and all payments of principal, interest, and payments otherwise owing by the Debtor to BMO.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Debtor shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Debtor to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. **THIS COURT ORDERS** that the Debtor shall provide each of the relevant landlords with notice of the Debtor's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Debtor's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Debtor, or by further Order of this Court upon application by the Debtor on at least two (2) days notice to such landlord and any such secured creditors. If the Debtor disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Debtor's claim to the fixtures in dispute.

12. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtor and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Debtor in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including ~~June 1~~August 28, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtor or the Monitor, or affecting the Business or the Property, except with the written consent of the Debtor and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtor or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

15. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

19. **THIS COURT ORDERS** that during the Stay Period the Applicant shall take no further steps in enforcing any rights it may have as against shares in the Debtor held by Ragas, related to the Notice of Intention to Enforce Security delivered by the Applicant to Ragas on December 3, 2024.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Debtor shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Debtor after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Debtor shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $~~100,000~~220,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 41 and 43 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Debtor's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

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

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

(a) monitor and approve in writing the Debtor's receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Debtor, to the extent required by the Debtor, in its dissemination, to the Applicant in its capacity as lender under the A&R DIP Facility Term Sheet (defined below) and its counsel of financial and other information as may be required by the Applicant which may be used in these proceedings including reporting on a basis to be agreed with the Applicant;

(d) advise the Debtor in its preparation of the Debtor's cash flow statements and reporting required by the Applicant, which information shall be reviewed with the Monitor and delivered to the Applicant as required by the Applicant;

(e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtor, to the extent that is necessary to adequately assess the Debtor's business and financial affairs or to perform its duties arising under this Order;

(f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(g) execute the CRO Engagement (as defined below) on behalf of the Debtor; and

(h) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other Persons shall forthwith advise the Monitor of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Monitor, and shall deliver all such Property to the Monitor upon the Monitor's request.

26. **THIS COURT ORDERS** that all Persons shall forthwith advise the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Monitor or permit the Receiver to

make, retain and take away copies thereof and grant to the Monitor unfettered access to and use of accounting, computer, software and physical facilities relating thereto , provided however that nothing in this paragraph 26 or in paragraph 27 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Monitor due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

27. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Monitor for the purpose of allowing the Monitor to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Monitor in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Monitor. Further, for the purposes of this paragraph, all Persons shall provide the Monitor with all such assistance in gaining immediate access to the information in the Records as the Monitor may in its discretion require including providing the Monitor with instructions on the use of any computer or other system and providing the Monitor with any and all access codes, account names and account numbers that may be required to gain access to the information.

28. **THIS COURT ORDERS** any and all financial institutions, banks and their affiliates, shall produce to the Monitor any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal information" about third parties as defined in *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, as amended.

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

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

31. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Debtor and the Applicant with information provided by the Debtor in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Debtor is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Debtor may agree.

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

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO (as hereinafter defined) and counsel to the Applicant shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates

and charges, whether incurred prior to, on, or subsequent to the date of this Order, by the Debtor as part of the costs of these proceedings whether incurred prior to, on, or subsequent to the date of this Order. The Debtor is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO, and counsel for the Applicant on a weekly basis.

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

35. **THIS COURT ORDERS** that the Monitor, and counsel to the Monitor, the CRO, and counsel to the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $~~275,000~~500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 hereof.

DIP FINANCING

36. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to obtain and borrow under the amended and restated debtor-in-possession term sheet dated as of May ~~22~~29, 2025 between the Debtor, as the ~~borrowers~~borrower, and the Applicant, as lender attached as Exhibit "~~A~~D" to the Second Golubovich Affidavit (as may be further amended, restated, supplemented and/or modified from time to time, the "**A&R DIP Facility Term Sheet**"), in order to finance the Debtor's working capital requirements, other general corporate purposes, accrued interest, expenses, and capital expenditures, all in accordance with the terms of the A&R DIP Facility Term Sheet, provided that borrowings under the A&R DIP Facility Term Sheet shall not exceed $~~200,000~~900,000 plus interest, fees and expenses, unless permitted by further Order of this Court.

37. **THIS COURT ORDERS** that the Debtor, through the CRO, is hereby authorized and empowered to execute and deliver the A&R DIP Facility Term Sheet such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the A&R DIP

Facility Term Sheet or as may be reasonably required by the Applicant pursuant to the terms thereof, and the Debtor is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Applicant under and pursuant to the A&R DIP Facility Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

38. **THIS COURT ORDERS** that the Applicant shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Facility Charge**") on the Property, in the maximum amount of $~~200,000~~900,000 plus interest, fees, and expenses pursuant to the A&R DIP Facility Term Sheet, which DIP Facility Charge shall not secure an obligation that exists before this Order is made. The DIP Facility Charge shall have the priority set out in paragraphs 41 and 43 hereof.

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

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

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Facility Charge, the Applicant, upon three days notice to the Debtor and the Monitor, may exercise any and all of its rights and remedies against the Debtor or the Property under or pursuant to the A&R DIP Facility Term Sheet, Definitive Documents and the DIP Facility Charge, including without limitation, to cease making advances to the Debtor and set off and/or consolidate any amounts owing by the Applicant to the Debtor against the obligations of the Debtor to the Applicant under the A&R DIP Facility Term Sheet, the Definitive Documents or the DIP Facility Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Debtor and for the appointment of a trustee in bankruptcy of the Debtor; and

(c) the foregoing rights and remedies of the Applicant shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtor or the Property.

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Facility Charge (together, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $~~275,000~~500,000);

Second – DIP Facility Charge (to the maximum amount of $~~200,000~~900,000 plus interest, fees, and expenses pursuant to the A&R DIP Facility Term Sheet); and

Third – Directors' Charge (to the maximum amount of $~~100,000~~220,000).

42. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

43. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, *except* that the Charges shall rank subordinate to any and all indebtedness owing by the Debtor to

(a) the BMO and all security in favour of BMO to secure such indebtedness; and

(b) the Crown in Right of Canada in respect of any claim it may have against the Debtor arising from statutory deemed trust amounts in favour of the Crown in Right of

Canada which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes.

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

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

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

(b) neither the Debtor nor the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Debtor entering into the A&R DIP Facility Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Debtor pursuant to this Order, the A&R DIP Facility Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

47. **THIS COURT ORDERS** that Maxim Lojevsky is hereby appointed as the Chief Restructuring Officer ("**CRO**") over and in respect of the Debtor and shall have the powers and obligations set out in the engagement agreement between the Debtor and the CRO dated May 22, 2025 (the "**CRO Engagement**"), and enclosed to the affidavit of Jaclyn Tarola, sworn May 20, 2025 (the "**Tarola Affidavit**").

48. **THIS COURT ORDERS** that the CRO Engagement is hereby approved, subject to such minor amendments as the parties thereto may agree to with the Monitor's consent. The Monitor is hereby authorized and directed to execute the CRO Engagement, on behalf of the Debtor, in the form enclosed with the Tarola Affidavit and the Debtor is hereby authorized and directed to perform all of their its pursuant to the CRO Engagement.

49. **THIS COURT ORDERS** that subject to the terms of this Order, the CRO is hereby authorized to assist the Applicant, the Monitor, and the Debtor and to do all things, carry out all actions and perform all duties described in the CRO Engagement.

50. **THIS COURT ORDERS** that in addition to the rights and protections afforded to the CRO by this Court, the CRO shall not be deemed to be a director, officer or trustee of the Debtor. The CRO shall not take Possession of the Property and shall not, by fulfilling his obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof, and shall be extended the same protections afforded to the Monitor under paragraphs 29 and 30 above.

51. **THIS COURT ORDERS** that the CRO shall not incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save an except for any liability or obligation incurred as a result of the CRO's gross negligence or wilful misconduct. The Debtor shall indemnify the CRO against obligations and liabilities that he may incur as CRO after the commencement of the within proceedings except to the extent that the obligation was incurred as a result of the CRO's gross negligence or wilful misconduct.

52. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, and all rights and remedies of any Person against or in respect of the CRO are hereby stayed and suspended, except with: (i) written consent of the CRO and the Monitor; or (ii) leave of this Court.

SERVICE AND NOTICE

53. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Debtor of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names, and addresses or individual creditors publicly available unless otherwise ordered by this Court.

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

3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL 'http://www.doanegrantthornton.ca/SecondCup'.

55. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Debtor and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

~~**COMEBACK MOTION**~~

~~56. **THIS COURT ORDERS** that the return hearing for the amendment and restatement of this Order shall be heard on May 29, 2025 at 10:00AM, for two hours.~~

GENERAL

56. ~~57.~~ **THIS COURT ORDERS** that the Applicant, the CRO, or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

58. ~~59.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Debtor, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such

assistance to the Applicant, the Debtor, and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant, the Debtor, and the Monitor and their respective agents in carrying out the terms of this Order.

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

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

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

____

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY INC..
Respondent

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicant

Document comparison by Workshare Compare on Tuesday, May 27, 2025 5:34:41 PM

Input:	
Document 1 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/85174563/1
Description	#85174563v1<Legal> - Initial Order [Draft May 21]
Document 2 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/85174576/3
Description	#85174576v3<Legal> - Amended and Restated Initial Order
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	50
Deletions	34
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	84

TAB 5

~~Revised: January 21, 2014~~

Court File No. ~~—~~CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	~~WEEKDAY~~THURSDAY, THE ~~#~~ 29TH
JUSTICE ~~—~~CAVANAGH	)	
	)	DAY OF ~~MONTH~~MAY, ~~20YR~~2025

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

~~AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF [APPLICANT'S NAME] (the "Applicant")~~

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

AMENDED AND RESTATED INITIAL ORDER

THIS ~~APPLICATION~~**MOTION**, made by the Applicant, Arbat Capital Group Ltd. (the "**Applicant**"), pursuant to the *Companies~~'~~' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the ~~"~~"**CCAA**~~"~~") was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the affidavit of ~~[NAME] sworn [DATE]~~Alexey Golubovich, affirmed May 19, 2025 (the "**First Golubovich Affidavit**"), the affidavit of Alexey Golubovich affirmed

May 27, 2025 (the "**Second Golubovich Affidavit**") and the Exhibits thereto, and the report (the "**First Report**") of Grant Thornton Limited ("**GTL**") in its capacity as Court-ordered monitor (in such capacity, the "**Monitor**") of the Second Cup Coffee Company Inc. (the "**Debtor**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant, The Second Cup Coffee Company Inc. (the "**Debtor**"), Demetrios Ragas ("**Ragas**"), His Majesty the King in right of Canada, and for GTL, no one appearing for ~~[NAME]~~[1]the Bank of Montreal ("**BMO**") although duly served as appears from the affidavit of service of ~~[NAME]~~Kim Sellers, sworn ~~[DATE] and on reading the consent of [MONITOR'S NAME] to act as the Monitor~~May 27, 2025,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Application~~Motion and the ~~Application~~Motion Record is hereby abridged and validated[2] so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

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

~~**PLAN OF ARRANGEMENT**~~

~~3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").~~

~~[1] Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

~~[2] If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.~~

POSSESSION OF PROPERTY AND OPERATIONS

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

4. ~~5. [~~**THIS COURT ORDERS** that the ~~Applicant~~Debtor shall be entitled to continue to utilize ~~the central~~its cash management system[3] currently in place ~~as described in the Affidavit of [NAME] sworn [DATE]~~, or replace it with another substantially similar ~~central~~ cash management system (the ~~"~~"**Cash Management System**~~"~~") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Debtor of funds transferred, paid, collected or ~~otherwise~~other dealt ~~with in~~within the Cash Management System, shall be ~~entitled~~entitle to provide the Cash Management System without any liability in respect ~~thereof~~there of to any Person (as hereinafter defined) other ~~than~~that the ~~Applicant~~Debtor, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the, Cash Management System, an unaffected creditor under ~~the Plan~~any plan or compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.~~]~~

[3] ~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

5. ~~6.~~ **THIS COURT ORDERS** that the ~~Applicant~~Debtor, in accordance with the cash flow forecast appended to the First Report, (the "**Cash Flow Forecast**") shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;~~ and~~

(b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Debtor in respect of these proceedings, at their standard rates and charges;

(c) amounts owing for goods and services supplied to the Debtor on or after the date of this order if, in the opinion of the Monitor and the CRO, such goods and services are necessary for the operation or preservation of the Business or Property;

(d) only with the consent of the Monitor, amounts owing for goods or services supplied to the Debtor prior to the Initial Order if, in the opinion of the Debtor and the Monitor, such payment is necessary or desirable to avoid disruption to the operation of the Business during the CCAA proceedings; and

(e) any and all amounts that come due and owing to BMO.

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

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers' insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the ~~Applicant~~Debtor following the date of this Order.

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

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees~~'~~' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes, and all other amounts related to such deductions or employee wages payable for periods following the date of this Order pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;

(b) all goods and services or other applicable sales taxes (collectively, ~~"~~"**Sales Taxes**~~"~~") required to be remitted by the ~~Applicant~~Debtor in connection with the sale of goods and services by the ~~Applicant~~Debtor, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order~~, and~~;

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Debtor; and

(d) any and all amounts that come due and owing to BMO after the date of this Order.

8. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~**[or resiliated]**~~[4] in accordance with the CCAA, the ~~Applicant~~Debtor shall pay all amounts constituting rent or

[4] ~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the ~~Applicant~~Debtor and the landlord from time to time (~~"~~“**Rent**~~"~~”), for the period commencing from and including the date of this Order, ~~twice~~ monthly in equal payments on the first ~~and fifteenth~~ day of each month~~, in advance (but not in arrears)~~. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant~~Debtor is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Debtor to any of its creditors as of this date with the sole exception of such amounts payable to BMO in accordance with the Cash Flow Forecast; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business. For greater certainty, the Debtor shall continue to make any and all payments of principal, interest, and payments otherwise owing by the Debtor to BMO.

RESTRUCTURING

10. ~~11.~~ **THIS COURT ORDERS** that the ~~Applicant~~Debtor shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations~~, **[and to dispose of redundant or non-material assets not exceeding $● in any one transaction or $● in the aggregate]**~~[5];

(b) ~~[~~terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate~~]~~; and

[5] ~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the ~~Applicant~~Debtor to proceed with an orderly restructuring of the Business (the ~~"~~“**Restructuring**~~"~~”).

11. ~~12.~~ **THIS COURT ORDERS** that the ~~Applicant~~Debtor shall provide each of the relevant landlords with notice of the ~~Applicant~~Debtor’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the ~~Applicant~~Debtor’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the ~~Applicant~~Debtor, or by further Order of this Court upon application by the ~~Applicant~~Debtor on at least two (2) days notice to such landlord and any such secured creditors. If the ~~Applicant~~Debtor disclaims ~~**[or resiliates]**~~ the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~**[or resiliation]**~~ of the lease shall be without prejudice to the ~~Applicant'~~Debtor’s claim to the fixtures in dispute.

12. ~~13.~~ **THIS COURT ORDERS** that if a notice of disclaimer ~~**[or resiliation]**~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~**[or resiliation]**~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the ~~Applicant~~Debtor and the Monitor 24 hours~~'~~’ prior written notice, and (b) at the effective time of the disclaimer ~~**[or resiliation]**~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the ~~Applicant~~Debtor in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~DEBTOR OR THE PROPERTY

13. ~~14.~~ **THIS COURT ORDERS** that until and including ~~[DATE MAX. 30 DAYS]~~August 28, 2025, or such later date as this Court may order (the ~~"~~“**Stay Period**~~"~~”), no proceeding or enforcement process in any court or tribunal (each, a ~~"~~“**Proceeding**~~"~~”) shall be commenced or continued against or in respect of the ~~Applicant~~Debtor or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Debtor and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the ~~Applicant~~Debtor or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

15. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Applicant~~Debtor, except with the written consent of the ~~Applicant~~Debtor and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~Debtor or statutory or regulatory mandates for the supply

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

NON-DEROGATION OF RIGHTS

17. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Debtor. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.[6]

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

[6] ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~Debtor, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~Debtor or this Court.

19. **THIS COURT ORDERS** that during the Stay Period the Applicant shall take no further steps in enforcing any rights it may have as against shares in the Debtor held by Ragas, related to the Notice of Intention to Enforce Security delivered by the Applicant to Ragas on December 3, 2024.

DIRECTORS’ AND OFFICERS’ INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the ~~Applicant~~Debtor shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Debtor after the commencement of the within proceedings,[7] except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director~~'~~’s or officer~~'~~’s gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the ~~Applicant~~Debtor shall be entitled to the benefit of and are hereby granted a charge (the ~~"~~“**Directors’ Charge**~~"~~”)[8] on the Property, which charge shall not exceed an aggregate amount of $~~●~~220,000, as security for the indemnity provided in paragraph ~~[~~20~~]~~ of this Order. The Directors’ Charge shall have the priority set out in paragraphs ~~[38]~~41 and ~~[40]~~43 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors~~'~~’ Charge, and (b) the ~~Applicant'~~Debtor’s directors and officers shall only be entitled to the benefit of the Directors~~'~~’ Charge to the extent that they do not have coverage

[7] ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

[8] ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

under any directors~~'~~’ and officers~~'~~’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~[~~20~~]~~ of this Order.

APPOINTMENT OF MONITOR

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

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

(a) monitor and approve in writing the ~~Applicant'~~Debtor’s receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the ~~Applicant~~Debtor, to the extent required by the ~~Applicant~~Debtor, in its dissemination, to the ~~DIP Lender~~Applicant in its capacity as lender under the A&R DIP Facility Term Sheet (defined below) and its counsel~~ on a [TIME INTERVAL] basis~~ of financial and other information as ~~agreed to between~~may be required by the Applicant~~ and the DIP Lender~~ which may be used in these proceedings including reporting on a basis to be agreed with the ~~DIP Lender~~Applicant;

(d) advise the ~~Applicant~~Debtor in its preparation of the ~~Applicant~~Debtor’s cash flow statements and reporting required by the ~~DIP Lender~~Applicant, which information shall be reviewed with the Monitor and delivered to the ~~DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~

~~(e) advise the~~ Applicant ~~in its development of the Plan and any amendments to the Plan;~~

~~(f) assist the Applicant, to the extent~~as required by the Applicant~~, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan~~;

(e) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Debtor, to the extent that is necessary to adequately assess the ~~Applicant'~~Debtor's business and financial affairs or to perform its duties arising under this Order;

(f) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(g) execute the CRO Engagement (as defined below) on behalf of the Debtor; and

(h) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other Persons shall forthwith advise the Monitor of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Monitor, and shall deliver all such Property to the Monitor upon the Monitor's request.

26. **THIS COURT ORDERS** that all Persons shall forthwith advise the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Monitor or permit the Receiver to make, retain and take away copies thereof and grant to the Monitor unfettered access to and use of accounting, computer, software and physical facilities relating thereto , provided however that

nothing in this paragraph 26 or in paragraph 27 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Monitor due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

27. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Monitor for the purpose of allowing the Monitor to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Monitor in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Monitor. Further, for the purposes of this paragraph, all Persons shall provide the Monitor with all such assistance in gaining immediate access to the information in the Records as the Monitor may in its discretion require including providing the Monitor with instructions on the use of any computer or other system and providing the Monitor with any and all access codes, account names and account numbers that may be required to gain access to the information.

28. **THIS COURT ORDERS** any and all financial institutions, banks and their affiliates, shall produce to the Monitor any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal information" about third parties as defined in *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, as amended.

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

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

31. ~~27.~~ **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Debtor and the Applicant~~ and the DIP Lender~~ with information provided by the ~~Applicant~~Debtor in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the ~~Applicant~~Debtor is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~Debtor may agree.

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

33. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO (as hereinafter defined) and counsel to the Applicant shall be paid their reasonable fees and

disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order, by the ~~Applicant~~Debtor as part of the costs of these proceedings whether incurred prior to, on, or subsequent to the date of this Order. The ~~Applicant~~Debtor is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO, and counsel for the Applicant on a ~~[TIME INTERVAL]~~weekly basis~~ and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of $● [, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time~~.

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

35. ~~31.~~ **THIS COURT ORDERS** that the Monitor, and counsel to the Monitor, ~~if any~~the CRO, and counsel to the Applicant~~'s counsel~~ shall be entitled to the benefit of and are hereby granted a charge (the ~~"~~"**Administration Charge**~~"~~") on the Property, which charge shall not exceed an aggregate amount of $~~●~~500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~[38]~~41 and ~~[40]~~43 hereof.

DIP FINANCING

36. ~~32.~~ **THIS COURT ORDERS** that the ~~Applicant~~Debtor is hereby authorized and empowered to obtain and borrow under ~~a credit facility from [DIP LENDER'S NAME] (~~the amended and restated debtor-in-possession term sheet dated as of May 29, 2025 between the Debtor, as the borrower, and the Applicant, as lender attached as Exhibit "D" to the Second Golubovich Affidavit (as may be further amended, restated, supplemented and/or modified from time to time, the ~~"~~"**A&R DIP** ~~Lender"~~**Facility Term Sheet**"), in order to finance the ~~Applicant'~~Debtor's working capital requirements~~ and~~, other general corporate purposes, accrued interest, expenses, and capital expenditures, all in accordance with the terms of the A&R DIP Facility Term Sheet, provided that borrowings under ~~such credit facility~~the A&R DIP Facility

Term Sheet shall not exceed $●900,000 plus interest, fees and expenses, unless permitted by further Order of this Court.

~~33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

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

38. ~~35.~~ **THIS COURT ORDERS** that the ~~DIP Lender~~Applicant shall be entitled to the benefit of and is hereby granted a charge (the ~~"~~"**DIP** ~~Lender's~~**Facility** **Charge**~~"~~") on the Property, in the maximum amount of $900,000 plus interest, fees, and expenses pursuant to the A&R DIP Facility Term Sheet, which DIP ~~Lender's~~Facility Charge shall not secure an obligation that exists before this Order is made. The DIP ~~Lender's~~Facility Charge shall have the priority set out in paragraphs ~~[38]~~41 and ~~[40]~~43 hereof.

39. ~~36.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

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

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP ~~Lender's~~Facility Charge, the ~~DIP Lender~~Applicant, upon ●three days notice to the ~~Applicant~~Debtor and the Monitor, may exercise any and all of its rights and remedies against the ~~Applicant~~Debtor or the Property under or pursuant to the ~~Commitment Letter~~A&R DIP Facility Term Sheet, Definitive Documents and the DIP ~~Lender's~~Facility Charge, including without limitation, to cease making advances to the ~~Applicant~~Debtor and set off and/or consolidate any amounts owing by the ~~DIP Lender to the~~ Applicant to the Debtor against the obligations of the Debtor to the Applicant ~~to the DIP Lender~~ under the ~~Commitment Letter~~A&R DIP Facility Term Sheet, the Definitive Documents or the DIP ~~Lender's~~Facility Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the ~~Applicant~~Debtor and for the appointment of a trustee in bankruptcy of the ~~Applicant~~Debtor; and

(c) the foregoing rights and remedies of the ~~DIP Lender~~Applicant shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the ~~Applicant~~Debtor or the Property.

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. ~~38.~~ **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP ~~Lender's~~Facility Charge (together, the "**Charges**"), as among them, shall be as follows[9]:

First – Administration Charge (to the maximum amount of $~~●~~500,000);

~~[9] The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

Second – DIP ~~Lender's~~Facility Charge (to the maximum amount of $900,000 plus interest, fees, and expenses pursuant to the A&R DIP Facility Term Sheet); and

Third – Directors' Charge (to the maximum amount of $●220,000).

42. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "~~Charges~~")~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

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

(a) the BMO and all security in favour of BMO to secure such indebtedness; and

(b) the Crown in Right of Canada in respect of any claim it may have against the Debtor arising from statutory deemed trust amounts in favour of the Crown in Right of Canada which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes.

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

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

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

(b) ~~none of~~neither the Debtor nor the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant~~Debtor entering into the ~~Commitment Letter~~A&R DIP Facility Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the ~~Applicant~~Debtor pursuant to this Order, the ~~Commitment Letter~~A&R DIP Facility Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

47. **THIS COURT ORDERS** that Maxim Lojevsky is hereby appointed as the Chief Restructuring Officer ("**CRO**") over and in respect of the Debtor and shall have the powers and obligations set out in the engagement agreement between the Debtor and the CRO dated May 22, 2025 (the "**CRO Engagement**"), and enclosed to the affidavit of Jaclyn Tarola, sworn May 20, 2025 (the "**Tarola Affidavit**").

48. **THIS COURT ORDERS** that the CRO Engagement is hereby approved, subject to such minor amendments as the parties thereto may agree to with the Monitor's consent. The Monitor is hereby authorized and directed to execute the CRO Engagement, on behalf of the Debtor, in the form enclosed with the Tarola Affidavit and the Debtor is hereby authorized and directed to perform all of their its pursuant to the CRO Engagement.

49. **THIS COURT ORDERS** that subject to the terms of this Order, the CRO is hereby authorized to assist the Applicant, the Monitor, and the Debtor and to do all things, carry out all actions and perform all duties described in the CRO Engagement.

50. **THIS COURT ORDERS** that in addition to the rights and protections afforded to the CRO by this Court, the CRO shall not be deemed to be a director, officer or trustee of the Debtor. The CRO shall not take Possession of the Property and shall not, by fulfilling his obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof, and shall be extended the same protections afforded to the Monitor under paragraphs 29 and 30 above.

51. **THIS COURT ORDERS** that the CRO shall not incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save an except for any liability or obligation incurred as a result of the CRO's gross negligence or wilful misconduct. The Debtor shall indemnify the CRO against obligations and liabilities that he may incur as CRO after the commencement of the within proceedings except to the extent that the obligation was incurred as a result of the CRO's gross negligence or wilful misconduct.

52. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the

CRO, and all rights and remedies of any Person against or in respect of the CRO are hereby stayed and suspended, except with: (i) written consent of the CRO and the Monitor; or (ii) leave of this Court.

SERVICE AND NOTICE

53. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the ~~Applicant~~Debtor of more than $~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names, and addresses or individual creditors publicly available unless otherwise ordered by this Court.

54. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '~~<@>~~http://www.doanegrantthornton.ca/SecondCup'.

55. ~~46.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Applicant~~Debtor and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any

notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Applicant'~~Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the ~~Applicant~~Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

56. ~~47.~~ **THIS COURT ORDERS** that the Applicant, the CRO, or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

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

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

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

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

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY INC..
Respondent

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicant

Document comparison by Workshare Compare on Tuesday, May 27, 2025 5:37:21 PM

Input:	
Document 1 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/83441796/1
Description	#83441796v1<Legal> - Model CCAA Order
Document 2 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/85174576/3
Description	#85174576v3<Legal> - Amended and Restated Initial Order
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	386
Deletions	347
Moved from	2
Moved to	2
Style changes	0
Format changes	0
Total changes	737

TAB 6

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 29TH
	)	
JUSTICE CAVANAGH	)	DAY OF MAY, 2025

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

CLAIMS IDENTIFICATION ORDER

THIS MOTION, made by the applicant, Arbat Capital Group Ltd. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order establishing a Claims Identification Process to identify and quantify Claims (defined below), was heard this day via Zoom videoconference.

ON READING the affidavit of Alexey Golubovich, sworn May 27, 2025 and the Exhibits thereto and the report to the court dated May 28, 2025 of Grant Thornton Limited, in its capacity as CCAA monitor ("**Monitor**") of The Second Cup Coffee Company Inc. (the "**Debtor**") dated May 27, 2025, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, and such other parties listed on the participant information form, with no one else appearing for any other party although duly served as appears from the affidavit of service of Kim Sellers affirmed on May 27, 2025, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS AND INTERPRETATION

2. **THIS COURT ORDERS** that unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

3. **THIS COURT ORDERS** that for the purposes of this Order the following terms shall have the following meanings:

(a) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

(b) "**Business Day**" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario.

(c) "**Books and Records**" means the books and records of the Debtor related to the operations of the business of the Debtor, including employee records, account ledgers, transaction records, payment records, and other similar information, either in physical or electronic form.

(d) "**CCAA**" has the meaning ascribed to it in the preamble to this Claims Identification Order.

(e) "**Charges**" shall have the meaning ascribed to it in the Initial Order.

(f) "**Claim**" means each of:

(i) any right or claim of any Person against the Debtor, in connection with any indebtedness, liability or obligation of any kind whatsoever and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including, by reason of any breach of contract (whether oral or written), any breach of duty (including, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property, contracts or assets or right to a trust or deemed trust (whether statutory, express, implied, resulting, constructive or otherwise), the right or ability of any Person to advance a claim for contribution or indemnity (including any claim by a Director or Officer against the Debtor for contribution and/or indemnity arising from any D&O Claim (as defined below)) for or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation (A) is based in whole or in part on facts existing prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) would have been a claim provable in bankruptcy had the Debtor become bankrupt on the Filing Date (each, a "**Pre-Filing Claim**", and collectively, the "**Pre-Filing Claims**");

(ii) any indebtedness, liability or obligation of any kind with respect to the Debtor arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date, and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of this Claims Identification Order (each, a "**Restructuring Claim**", and collectively, the "**Restructuring Claims**"); or

(iii) any right or claim of any Person against any of the Directors or Officers of the Debtor, in connection with any indebtedness, liability or obligation of any kind whatsoever and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory in nature including any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors or Officers of the Debtor with respect to any matter, action, cause or chose in action, however arising, for which any Director or Officer of the Debtor is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer of the Debtor (each, a "**D&O Claim**", and collectively, the "**D&O Claims**"); or

(iv) a D&O Indemnity Claim (as defined below),

provided however, that "**Claim**" shall not include an Excluded Claim.

(g) "**Claims Bar Date**" means 5:00 p.m. (prevailing Eastern Time) on June 30, 2025 for Pre-Filing Claims and D&O Claims.

(h) "**Claims Identification Process**" means the Claims Identification Process set out in the Claims Identification Order.

(i) "**Claims Identification Order**" means this Claims Identification Order.

(j) "**Court**" means the Ontario Superior Court of Justice (Commercial List).

(k) "**Creditor**" means any Person with a Claim against the Debtor and includes Litigation Claimants.

(l) "**CRO**" means Mr. Maxim Lojevsky, in his capacity as Court-appointed Chief Restructuring Officer of the Debtor.

(m) "**Directors and Officers**" means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or officer or *de facto* director or officer of any of the Debtor.

(n) "**Document Package**" means a document package that includes a copy of the Notice to Creditors, Instruction Letter and Proof of Claim, and such other materials as the Monitor may consider appropriate or desirable.

(o) "**D&O Claim**" has the meaning ascribed to that term in paragraph 3(f)(iii) of this Claims Identification Order.

(p) "**D&O Indemnity Claim**" means any existing or future right of any Director or Officer against one or more of the Debtor which arose or arises as a result of any Person filing a Proof of Claim (as defined below) in respect of such Director or Officer for which such Director or Officer is entitled to be indemnified by one or more of the Debtor.

(q) "**Excluded Claim**" means the following Claims against the Debtor (or any one of them) or any Directors and Officers, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, including any interest accrued thereon or costs incurred in respect thereof:

(i) any Claim of any Secured Creditor in respect of its Secured Debt; or

(ii) any Claim entitled to the benefit of an existing or future Court-ordered priority charge ordered by the Court, including the Charges.

(r) "**Filing Date**" means May 22, 2025.

(s) "**Initial Order**" means the Amended and Restated Initial Order dated May 29, 2025, (as may be further supplemented, amended or varied from time to time).

(t) "**Instruction Letter**" means the guide to this Claims Identification Process, in substantially the form attached as Schedule "B" hereto.

(u) "**Known Creditors**" means:

(i) any Person, which, to the knowledge of the Debtor and the Monitor, based on the Debtor's books and records, was owed monies by the Debtor as of the Filing Date and which monies remain unpaid in whole or in part; and

(ii) any Person who, to the knowledge of the Debtor and the Monitor, commenced a legal or any other proceeding against the Debtor, which legal proceeding was commenced and served upon the Debtor prior to the Filing Date.

(v) "**Litigation**" means *Levelen Corp., Leonid Pekker, and Vera Pekker (Applicants)* and *The Second Cup Coffee Company Inc., Alexey Golubovich, Larissa Khomutova, Maxim Lojevsky, Demetrios Ragas also known as Jim Ragas, Constantinos Ragas, Park Investors LLC, Arbat Capital Group Ltd., and Svetlana Bortsova (Respondents)* (Court File No. CV-24-00727683-00CL)

(w) "**Litigation Claims**" means the Litigation and all Pre-Filing Claims which are raised in, or could have been raised in the Litigation (in fresh proceedings before any court of competent jurisdiction) as of the Filing Date.

(x) "**Litigation Claimant**" means any Person asserting claim in the Litigation, whether by direct claim, counterclaim, or cross-claim. For certainty, a Litigation Claimant is a Creditor for the purposes of this Claims Identification Order.

(y) "**Notice to Creditors**" means the Notice to Creditors for publication in substantially the form attached as Schedule "A" hereto.

(z) "**Notice of Dispute of Revision or Disallowance**" means the notice, substantially in the form attached as Schedule "E" hereto, which may be delivered to the Monitor by a Creditor disputing a Notice of Revision or Disallowance received by such Creditor.

(aa) "**Notice of Revision or Disallowance"** means the notice, substantially in the form attached as Schedule "D" hereto, which may be prepared by the Debtor, in consultation with the Monitor, and delivered by the Monitor to a Creditor revising or disallowing, in part or in whole, a Claim submitted by such Creditor in a Proof of Claim.

(bb) "**Person**" is to be interpreted broadly and includes any individual, firm, general or limited partnership, joint venture, trust, corporation, limited or unlimited liability company, unincorporated organization, association, trust, collective bargaining agent, joint venture, federal or provincial government body, agency or ministry, regulatory body, officer or instrumentality thereof, or any juridical entity, wherever situate or domiciled, and whether or not having legal status, howsoever designated or constituted, and whether acting on their own or in a representative capacity.

(cc) "**Pre-Filing Claim**" has the meaning ascribed to that term in paragraph 3(f)(i) of this Claims Identification Order.

(dd) "**Proof of Claim**" means the proof of claim to be completed and filed with the Monitor by a Person setting forth a Claim and which shall include all supporting documentation in respect of such Claim, substantially in the form attached hereto as Schedule "C".

(ee) "**Restructuring Claim**" has the meaning ascribed to that term in paragraph 3(f)(ii)of this Claims Identification Order.

(ff) "**Restructuring Claims Bar Date**" means, in respect of each Restructuring Claim and each Person having a Restructuring Claim, 5:00 p.m. (prevailing Eastern Time) on the *later of*: (i) the Claims Bar Date; and (ii) the date that is 15 days after the date on which the Monitor sends a Document Package to the Creditor with respect to a Restructuring Claim that arose after the Filing Date.

(gg) **"Secured Creditor"** means the Bank of Montreal ("**BMO**").

(hh) **"Secured Debt"** means all indebtedness owing to the BMO.

(ii) **"Status"** means, with respect to a Claim, whether such claim is an unsecured Claim, Secured Claim, or Equity Claim.

(jj) "**Website**" means the Monitor's website at http://www.doanegrantthornton.ca/SecondCup.

4. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean

prior to 5:00 p.m. on such Business Day, unless otherwise indicated herein.

5. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation".

6. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes all genders.

MONITOR'S ROLE

7. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, is hereby directed and empowered to take all such other actions and fulfill such other roles as are authorized by this Claims Identification Order or are incidental thereto, and that in taking such other actions and in fulfilling such other roles, the Monitor shall have the protections given to it in the Initial Order, this Claims Identification Order, including the protections provided in paragraph 40 of this Claims Identification Order or any other order of the Court in these CCAA Proceedings, or as an officer of the Court, including the stay of proceedings in its favour.

NOTICE TO CREDITORS

8. **THIS COURT ORDERS** that the Debtor shall provide to the Monitor a complete list of Known Creditors as at the date of this Claims Identification Order, showing for each Known Creditor, their name, address and amount owed pursuant to the Debtor's books and records. For those Known Creditors whose Claims are not liquidated, the Debtor shall provide a value of $1.

9. **THIS COURT ORDERS** that the Monitor shall send the Document Package by ordinary mail or email to the last known mailing address or email address of each Known Creditor within five (5) Business Days following the issuance of the Claims Identification Order.

10. **THIS COURT ORDERS** that with respect to Restructuring Claims arising after the date of this Claims Identification Order, the Monitor shall, no later than five (5) Business Days following the effective date of the termination, repudiation or disclaimer of a lease, contract or

other agreement or obligation, send to the counterparty(ies) of such agreement or obligation a Document Package by email or regular mail if the email address is not known.

11. **THIS COURT ORDERS** that as soon as practicable, the Monitor shall cause the Notice to Creditors to be published, for at least one (1) Business Day, in the Globe and Mail (National Edition).

12. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Creditors, the Document Package and the Claims Identification Order to be posted to the Website as soon as reasonably possible and cause it to remain posted thereon until its discharge as Monitor of the Debtor.

13. **THIS COURT ORDERS** that to the extent that any Person requests documents relating to the Claims Identification Process prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, the Monitor shall forthwith cause a Document Package to be sent to such Person by email or direct the Person to the documents posted on the Website, and otherwise respond to any request relating to the Claims Identification Process as may be appropriate in the circumstances.

CLAIMS BAR DATES

14. **THIS COURT ORDERS** that all Proofs of Claim with respect to: (a) Pre-Filing Claims, shall be filed with the Monitor on or before the Claims Bar Date; (b) Restructuring Claims, shall be filed with the Monitor on or before the Restructuring Claims Bar Date; and, (c) D&O Claims, shall be filed with the Monitor on or before the Claims Bar Date, except to the extent that the D&O Claim relates to a Restructuring Claim, in which case such D&O Claim shall be filed with the Monitor on or before the applicable Restructuring Claims Bar Date.

15. **THIS COURT ORDERS** that, subject to any Claims deemed to be Proven Claims pursuant to paragraph 26 of this Claims Identification Order, any Creditor that does not file a Proof of Claim as provided for herein such that such Proof of Claim is received by the Monitor on or before the applicable Claims Bar Date or Restructuring Claims Bar Date: (a) shall be, and is hereby forever barred, estopped, and enjoined from making or enforcing such Claim against the Debtor or the Directors or Officers, or any of them, the Debtor and or the Directors or

Officers shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Debtor and or the Monitor; and (b) shall not be entitled to any further notice thereof, and shall not be entitled to participate as a Creditor in these proceedings.

PROOFS OF CLAIM

16. **THIS COURT ORDERS** that each Creditor, including Litigation Claimants, shall file a Proof of Claim against the Debtor and shall include any and all Claims it asserts against the Debtor in a single Proof of Claim.

17. **THIS COURT ORDERS** that if a Creditor is asserting a Claim against the Debtor and against the Directors or Officers of the Debtor, all such Claims shall be included in the same Proof of Claim.

18. **THIS COURT ORDERS** that where a Claim against the Debtor is based on the Debtor's guarantee of the repayment of a debt of any other Person, the Proof of Claim in respect of such Claim shall clearly state that it is based on such a guarantee.

19. **THIS COURT ORDERS** that if any Claim arose in a currency other than Canadian dollars, then the Creditor making the Claim shall complete its Proof of Claim indicating the amount of the Claim in such currency. The Monitor shall subsequently convert any Claim filed in a foreign currency to Canadian dollars at the Bank of Canada exchange rate on the Filing Date.

20. **THIS COURT ORDERS** that the Monitor shall supervise the receipt and collection of the Proofs of Claim and, in conjunction with the Debtor (and any Director and/or Officer against whom a D&O Claim is asserted), shall, subject to further order of the Court, review each Proof of Claim submitted by the Claims Bar Date or the Restructuring Claims Bar Date, as applicable. The Monitor shall, upon request, provide the Debtor's counsel with copies of all Proofs of Claim and any other documents delivered to the Monitor pursuant to the Claims Identification Process.

NOTICE SUFFICIENT

21. **THIS COURT ORDERS** that each of the:

(a) Notice to Creditors attached as Schedule “A”;

(b) Instruction Letter attached as Schedule “B”;

(c) Proof of Claim form attached as Schedule “C”;

(d) Notice of Revision or Disallowance attached as Schedule “D”; and

(e) Notice of Dispute of Revision or Disallowance attached as Schedule “E”

are hereby approved in substantially the forms attached. Despite the foregoing, the Monitor may, from time to time, and with the consent of the Debtor, make minor changes to such forms as the Monitor considers necessary or desirable.

22. **THIS COURT ORDERS** that publication of the Notice to Creditors on the Website and in the Globe and Mail (National Edition), posting of the Document Package on the Website, the sending of the Document Package to the Known Creditors in accordance with this Claims Identification Order, and completion of the other requirements of this Claims Identification Order shall constitute good and sufficient service and delivery of notice of a Creditor’s Claim, this Claims Identification Order, the Claims Identification Process, the Claims Bar Date, and the Restructuring Claims Bar Date on all Persons who may be entitled to receive notice, and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Claims Identification Order or the Claims Identification Process.

23. **THIS COURT ORDERS** that the Monitor, in consultation with the Debtor and the applicable Director or Officer in respect of any D&O Claim, is hereby authorized (a) to use its reasonable discretion as to the adequacy of compliance with respect to the manner and timing in which forms delivered hereunder are completed and executed, and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Identification Order as to completion and execution of such forms and (b) to request any further documentation from a Claimant that the Debtor or the Monitor may reasonably require in order to determine the validity and/or status of a Claim. Notwithstanding any other provision of this Claims Identification Order, any Claim filed with the Monitor after the applicable Claims Bar

Date or Restructuring Claims Bar Date may, in the reasonable discretion of the Monitor or subject to further Order of the Court, be deemed to have been filed on or before the applicable Claims Bar Date or Restructuring Claims Bar Date, and, subject to further Order of this Court, may be reviewed by the Monitor.

D&O INDEMNITY CLAIM

24. **THIS COURT ORDERS** that to the extent any D&O Claim is filed in accordance with this Claims Identification Order, a corresponding D&O Indemnity Claim shall be automatically and immediately deemed to have been filed in respect of such D&O Claim.

ADJUDICATION AND RESOLUTION PROCESS FOR CLAIMS

25. **THIS COURT ORDERS** that the Monitor, in consultation with the Debtor (and in the case of a D&O Claim, in consultation with the applicable Director and/or Officer) shall review all Proofs of Claim filed in accordance with this Claims Identification Order and at any time may (a) request additional information from a Creditor; (b) request that a Creditor file a revised Proof of Claim; (c) attempt to resolve and settle any issue arising in a Proof of Claim or in respect of a Claim; (d) accept (in whole or in part) the amount and/or Status of any Claim and so notify the Creditor in writing; and (e) revise or disallow (in whole or in part) the amount and/or Status of any Claim and so notify the Creditor in writing.

26. **THIS COURT ORDERS** that where a Claim has been accepted by the Monitor in accordance with this Claims Identification Order, such Claim shall constitute such Creditor's "**Proven Claim**". The acceptance of any Claim or other determination of same in accordance with this Claims Identification Order, in full or in part, shall not constitute an admission of any fact, thing, liability, or quantum or Status of any claim by any Person, save and except in the context of this CCAA proceedings and, in respect of Litigation Claims, the Litigation.

27. **THIS COURT ORDERS** that where a Claim is revised or disallowed (in whole or in part, and whether as to amount and/or Status), the Monitor shall deliver to the Creditor a Notice of Revision or Disallowance, attaching the form of Notice of Dispute to such Revision or Disallowance.

28. **THIS COURT ORDERS** that any Person who intends to dispute a Notice of Revision or Disallowance sent pursuant to paragraph 27 hereof shall deliver a Notice of Dispute of Revision or Disallowance to the Monitor, by 5:00 p.m. (Eastern Time) on the day that is not later than fourteen (14) days after the Business Day on which the Notice of Revision or Disallowance was sent, or such longer period as may be agreed to by the Monitor in writing. The receipt of a Notice of Dispute of Revision or Disallowance by the Monitor within the fourteen (14) day period specific in this paragraph shall constitute an application to have the amount and/or Status of such claim determined pursuant to the Claims Identification Process as provided in this Claims Identification Order.

29. **THIS COURT ORDERS** that if any Person who received a Notice of Revision or Disallowance does not return a Notice of Dispute of Revision or Disallowance in accordance with paragraph 28 of this Claims Identification Order, the value and Status of such Claim shall be deemed to be set out in the Notice of Revision or Disallowance for voting and distribution purposes, and the Creditor will be barred from disputing or appealing same, and the balance of such Creditor's Claim, if any, shall be forever barred and extinguished.

30. **THIS COURT ORDERS** that as soon as practicable after a Notice of Dispute of Revision or Disallowance is received by the Monitor in accordance with this Claims Identification Order, the Monitor, in consultation with the Debtor, may attempt to resolve and settle the Claim with the Creditor.

31. **THIS COURT ORDERS** that in the event that a dispute raised in a Notice of Dispute of Revision or Disallowance is not settled within a reasonable time period or in a manner satisfactory to the Monitor, the Monitor may, at its sole discretion, refer the dispute to a claims officer ("**Claims Officer**") for determination. The Claims Officer shall be chosen by the Monitor in its sole direction, subject to the following qualifications: the Claims Officer shall be (i) a former judge of the Court (ii) a member of the Chartered Institute of Arbitrators holding either the FCIArb or C.Arb designation.

32. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, the Monitor may, at its sole discretion, discontinue the adjudication process in respect of any Claim following the delivery by a Claimant of a Notice of Dispute of Revision or Disallowance and deem such

Claim as entirely unaffected by this Claim Identification Process if the Monitor deems doing so to be in the best interest of the Debtor and its stakeholders.

33. **THIS COURT ORDERS** that the Debtor shall pay the reasonable professional fees and disbursements of the Claims Officer on presentation and acceptance of invoices from time to time. The Claims Officer shall be entitled to a reasonable retainer against his fees and disbursements, which shall be paid upon request by the Debtor with the consent of the Monitor.

34. **THIS COURT ORDERS** that, subject to further order of the Court, the Claims Officer shall determine the Status and/or amount of each Claim in respect of which a dispute has been referred to such Claims Officer and in doing so, the Claims Officer shall be empowered to determine (a) all timetable and other procedural matters which may arise in respect of the determination of any Claim; (b) the process by which evidence will be brought before them; (c) interlocutory motions, if any; and (d) costs, if any, between the parties of any hearing before the Claims Officer.

35. **THIS COURT ORDERS** that if a Litigation Claim is referred to the Claims Officer, the relevant parties are directed to consult with the Claims Officer, forthwith after the Litigation Claim is referred to the Claims Officer, for the purposes of establishing a litigation timetable.

36. **THIS COURT ORDERS** that the Monitor or the Creditor may appeal the Claims Officer's determination to this Court by serving upon the other and filing with this Court, within ten (10) calendar days of notification of the Claims Officer's determination of such Creditor's Claim, a notice of motion returnable on a date to be fixed by this Court. If a notice of motion is not filed within such period, then the Claims Officer's determination shall be deemed to be final and binding and shall be such Creditor's Proven Claim.

NOTICE OF TRANSFEREES

37. **THIS COURT ORDERS** that neither the Debtor nor the Monitor shall be obligated to give notice to or to otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof unless and until (a) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Monitor, and (b) the Monitor shall have acknowledged in writing such transfer or assignment, and

thereafter such transferee or assignee shall, for the purposes hereof, constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Identification Order prior to the written acknowledgement by the Monitor of such transfer or assignment.

38. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Applicant and the Monitor shall in each such case not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with paragraph 37 of this Claims Identification Order and the Monitor has acknowledged in writing such transfer or assignment, the Person last holding such Claim in whole as the Creditor in respect of such Claim may by notice in writing to the Monitor direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim, by or with respect to such Person in accordance with this Claims Identification Order.

39. **THIS COURT ORDERS** that the transferee or assignee of any Claim (a) shall take the Claim subject to the rights and obligations of the transferor/assignor of the Claim, and subject to the rights of the Debtor against any such transferor or assignor, including any rights of set-off which the Debtor had against such transferor or assignor, and (b) cannot use any transferred or assigned Claim to reduce any amount owing by the transferee or assignee to the Debtor, whether by way of set off, application, merger, consolidation or otherwise.

PROTECTIONS FOR MONITOR

40. **THIS COURT ORDERS** that: (a) in carrying out the terms of this Claims Identification Order,

the Monitor shall have all of the protections given to it by the CCAA and the Initial Order or as an officer of this Court, including the stay of proceedings in its favour; (b) the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Claims Identification Order, except to the extent that the Monitor has acted with gross negligence or willful misconduct; (c) the Monitor shall be entitled to rely on the Books and Records of the Debtor and any information provided by the Debtor, all without independent investigation; (d) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information; and (d) the Monitor may seek assistance from the Debtor or its advisors as may be reasonably required to carry out its duties and obligations pursuant to this Claims Identification Order, including making such inquiries and obtaining such records and information as it deems appropriate in connection with the Claims Identification Process.

DIRECTIONS

41. **THIS COURT ORDERS** that the Debtor or the Monitor may, at any time, and with such notice as this Court may require, seek directions from the Court with respect to this Claims Identification Order and the Claims Identification Process set out herein, including the forms attached as Schedules hereto.

SERVICE AND NOTICE

42. **THIS COURT ORDERS** that the Monitor or the Debtor, as the case may be, are at liberty to deliver the Document Package, and any letters, notices or other documents to Creditors or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by prepaid ordinary mail, on the third Business Day after mailing.

43. **THIS COURT ORDERS** that any notice or other communication (including Proofs of Claim) to be given under this Claims Identification Order by a Creditor to the Monitor shall be in writing in substantially the form, if any, provided for in this Claims Identification Order and

will be sufficiently given only if given by electronic or digital transmission, prepaid ordinary mail, courier, or personal delivery addressed to:

Grant Thornton Limited -
The Court Appointed Monitor of The Second Cup Coffee Company
200 King Street West, 11th Floor
Toronto, Ontario, Canada
M5H 3T4

Email: claimsubmission@ca.gt.com

44. **THIS COURT ORDERS** that any such notice or other communication by a Creditor to the Monitor shall be deemed received only upon actual receipt thereof, provided that any notice or communication by a Creditor to the Monitor that is received by the Monitor on a non-Business Day or after 5:00 p.m. (prevailing Eastern Time) shall be deemed to have been received on the next Business Day.

MISCELLANEOUS

45. **THIS COURT ORDERS** that notwithstanding any other provision of this Claims Identification Order, the solicitation of Proofs of Claim, and the filing by a Person of any Proof of Claim, shall not, for that reason only, grant any Person any standing in the CCAA proceedings.

46. **THIS COURT ORDERS** that notwithstanding the terms of this Claims Identification Order, and without limitation to paragraph 40 of this Claims Identification Order, the Monitor may apply to this Court from time to time for directions from this Court with respect to this Claims Identification Order, or for such further order or orders as any of them may consider necessary or desirable to amend, supplement or clarify the terms of this Claims Identification Order.

47. **THIS COURT ORDERS** that this Claims Identification Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

48. **THIS COURT ORDERS THAT** if, during any period in which notices or other

communications are being given pursuant to this Claims Identification Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Claims Identification Order.

49. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA) and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Claims Identification Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor and the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Claims Identification Order or to assist the Debtor and the Monitor and their respective agents in carrying out the terms of this Claims Identification Order.

50. **THIS COURT ORDERS** that this Claims Identification Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Claims Identification Order, and is enforceable without any need for entry and filing.

SCHEDULE "A" – NOTICE TO CREDITORS

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

NOTICE LETTER FOR THE CLAIMS IDENTIFICATION PROCESS
THE SECOND CUP COFFEE COMPANY INC.

RE: NOTICE OF CLAIMS IDENTIFICATION PROCESS, PRE-FILING CLAIMS BAR DATE AND RESTRUCTURING CLAIMS BAR DATE

This notice is being published pursuant to an Order of the Superior Court of Justice (Commercial List) in Ontario dated May 29, 2025 (the "**Claims Identification Order**") in proceedings under the *Companies' Creditors Arrange Act,* R.S.C., 1985 c. C-36, as amended, with respect to The Second Cup Coffee Company Inc. (the "**Debtor**").

Pursuant to the Initial Order dated May 22, 2025, Grant Thornton Limited was appointed as monitor of the Debtor (on such capacity, the "**Monitor**"), and pursuant to the claims identification process (the "**Claims Identification Process**") with respect to claims against the Debtor and its present and former Directors and Officers (the "**Directors/Officers**"). Additionally, the Monitor is required to send Claims Packages to, among other, the Debtor's Known Claimants. All capitalized terms not defined herein shall have the meanings ascribed to them in the Claims Identification Order.

The Claims Identification Order, the Claims Package, a Proof of Claim form and related materials may be accessed from the Monitor's Website at https://www.doanegrantthornton.ca/SecondCup.

All persons wishing to assert a claim (other than an Excluded Claim) against the Debtor or its Directors/Officers **MUST** file a Proof of Claim with the Monitor.

The claims bar date is 5:00 p.m. (Toronto Time) on June 30, 2025 (the "**Claims Bar Date"**). Proofs of Claim must be completed and filed with the Monitor on or before the Claims Bar Date.

The Restructuring Claims Bar Date is 5:00 p.m. (Toronto Time) on the date that is the later of (i) the Claims Bar Date and (ii) the date that is 15 days after the date on which the Monitor sends a Documents Package to the Creditor with respect to such Restructuring Claim. Proofs of Claim in respect of Restructuring Claims must be completed and filed with the Monitor using the procedures required in the Claims Identification Order so that they are received by the Monitor on or before the Restructuring Claims Bar Date.

PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Identification Process but do not file a Proof of Claim in respect of a Claim by the Bar Date, or a Proof of Claim is not filed on your behalf you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan, if any, or otherwise in respect of such Claims.

Reference should be made to the Claims Identification Order for the complete definitions of "**Claim**", "**Pre-Filing Claim**", and "**D&O Claim**" to which the Claims Identification Process applies.

The Monitor can be contacted at the following address to request a Claims Package or for any other notices of enquiries with respect to the Claims Identification Process.

Grant Thornton Limited -
The Court Appointed Monitor of The Second Cup Coffee Company
200 King Street West, 11th Floor
Toronto, Ontario, Canada
M5H 3T4

Email: claimsubmission@ca.gt.com

DATED at Toronto, Ontario, this 29th day of May, 2025.

Grant Thornton Limited,
solely in its capacity as Monitor of The
Second Cup Coffee Company Inc., and
not in its personal capacity.

SCHEDULE "B" - INSTRUCTION LETTER FOR CLAIMS IDENTIFICATION PROCESS

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

INSTRUCTION LETTER FOR THE CLAIMS IDENTIFICATION PROCESS

THE SECOND CUP COFFEE COMPANY INC.

I. CLAIMS IDENTIFICATION PROCESS

By Order of the Superior Court of Justice (Commercial List) in Ontario dated May 29, 2025 (the "**Claims Identification Order**"), Grant Thornton Limited, in its capacity as the Court - appointed monitor (in such capacity, the "**Monitor**") of The Second Cup Coffee Company Inc. ("**Second Cup**" or the "**Debtor**"), has been authorized to assist the Debtor in conducting a claims identification process (the "**Claims Identification Process**") with respect to claims against the Debtor and the present or former Directors and Officers ("**Directors/Officers**"). The Claims Identification Order governs the filing and identification of all Claims against Second Cup and its Directors/Officers.

Unless otherwise defined, all capitalized terms used herein shall have the meanings ascribed to them in the Claims Identification Order.

The Claims Identification Order, the Claims Package, a Proof of Claim form and related materials may be accessed from the Monitor's Website at https://www.doanegrantthornton.ca/SecondCup.

This letter provides instructions for completing the Proof of Claim. Reference should be made to the Claims Identification Order for a complete description of the Claims Identification Process.

The Claims Identification Process is intended for any Person with any Claims, other than Excluded Claims, of any kind or nature whatsoever against the Debtor the Directors/Officers or any of them, whether liquidated, unliquidated, contingent or otherwise. Please review the enclosed material for the complete definitions of "**Claim**", "**Pre-Filing Claim**" "**Restructuring Claim**" and "**D&O Claim**" to which the Claims Identification Process applies.

All notices and enquiries with respect to the Identification Process should be addressed to:

Grant Thornton Limited -
The Court Appointed Monitor of The Second Cup Coffee Company
200 King Street West, 11th Floor
Toronto, Ontario, Canada
M5H 3T4

Email: Michael.Dellaire@doane.gt.ca

II. FOR CLAIMANTS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim (other than an Excluded Claim), you MUST file a Proof of Claim with the Monitor.

All Proofs of Claim for Pre-Filing Claims (including D&O Claims), which for greater certainty are Claims against the Debtor arising prior to the Filing Date of May 22, 2025, and (ii) D&O Claims, must be received by the Monitor before 5:00 p.m. (Toronto Time) on June 30, 2025 (the "**Claims Bar Date**"). All Proofs of Claim for Restructuring Claims must be received by is 5:00 p.m. (Toronto Time) on the date that is the later of (i) the Claims Bar Date and (ii) the date that is 15 days after the date on which the Monitor sends a Documents Package to the Creditor with respect to such Restructuring Claim.

PROOFS OF CLAIM MUST BE RECEIVED BY THE CLAIMS BAR DATE OR THE APPLICABLE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Identification Process but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or a Proof of Claim is not filed on your behalf, you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan or otherwise in respect of such Claims.

All Claims denominated in foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate in effect on May 29, 2025, the date of granting the Claims Identification Order.

Additional Proofs of Claim forms can be accessed from the Monitor's website at www.doanegrantthornton.ca/SecondCup.

DATED at Toronto, Ontario, this 29th day of May, 2025.

Grant Thornton Limited,
solely in its capacity as Monitor of The Second Cup Coffee Company Inc., and not in its personal capacity.

SCHEDULE "C" - PROOF OF CLAIM FORM

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

PROOF OF CLAIM

THE SECOND CUP COFFEE COMPANY INC.
(the "Debtor")

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim. All capitalized terms not defined herein have the meanings ascribed to them in the Claims Identification Order dated May 29, 2025.

I. PARTICULARS OF CLAIMANT:

1. Full Legal Name of Claimant:

    ____
    (the "Claimant")

2. Full Mailing Address of the Claimant:

    ____

    ____

    ____

3. Telephone Number: ________________________________

4. E-Mail Address: ________________________________

5. Facsimile Number: ________________________________

6. Attention (Contact Person): ________________________________

7. Have you acquired this Claim by assignment?

Yes; □ No: □ (if yes, attach documents evidencing assignment) If Yes,

Full Legal Name of Original Claimant(s):

II. PROOF OF CLAIM:

1. I,

____

(name of Claimant or Representative of the Claimant), of ________________________________

____do hereby certify:
(city and province)

(a) that I [check (□) one]

□ am the Claimant; OR

□ am ____ (state position or title) of

____

(name of Claimant)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) that complete documentation in support of the Claim referred to below is attached; and

(d) that the Debtor and/or one or more of the Directors or Officers of the Debtor were and still are indebted to the Claimants as follows:[1]

[1] Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada daily average exchange rate in effect on May 22, 2025.

Debtor	Claim Amount	Whether Claim is Secured, Restructuring, Unsecured, or Unsecured	Value of Security Held, if any:
The Second Cup Coffee Company Inc.			
Directors and Officers of The Second Cup Coffee Company Inc. ______ (insert names above)			

______

III. PARTICULARS OF CLAIM

The particulars of the undersigned's total Claim (including D&O Claims) are attached.

(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) or legal breach(es) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. If a Claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against each of them.)

IV. FILING OF CLAIM

For Pre-Filing Claims (including D&O Claims), this Proof of Claim MUST be received by the Monitor before 5:00 p.m. (Toronto Time) on June 30, 2025 (the "Claims Bar Date").

For Restructuring Claims, this Proof of Claim MUST be received by the Monitor before 5:00 p.m. (Toronto Time) on the date that is the later of (i) the Claims Bar Date and (ii) the date that is 15 days after the date on which the Monitor sends a Documents Package to the Creditor with respect to such Restructuring Claim.

In either case, completed forms must be delivered by prepaid ordinary mail, registered mail, courier, personal delivery or email addressed:

Grant Thornton Limited -
The Court Appointed Monitor of The Second Cup Coffee Company
200 King Street West, 11th Floor
Toronto, Ontario, Canada
M5H 3T4

Email: claimsubmission@ca.gt.com

Failure to file your Proof of Claim as directed by the Claims Bar Date or Restructuring Claims Bar Date, as applicable, will result in your Claim being extinguished and forever barred and in you being prevented from making or enforcing a Claim against the Debtor or any of its present or former Directors and Officers.

DATED at ______________________________ this _______ day of ______________, 2025.

____

Signature of Claimant

SCHEDULE "D" - NOTICE OF REVISION OR DISALLOWANCE

For persons who have asserted Claims against the Debtor and/or D&O Claims against the Directors and/or Officers of the Debtor

TO: [**INSERT NAME AND ADDRESS OF CLAIMANT**] (the "**Claimant**")

RE: Claim Reference Number: ______________________________

Capitalized terms used but not defined in the Notice of Revision or Disallowance shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Debtor dated **May 29, 2025** (the "**Claims Identification Order**"). You can obtain a copy of the Claims Identification Order on the Monitor's Website at: http://www.doanegrantthornton.ca/SecondCup

Pursuant to the Claims Identification Order, the Monitor hereby gives you notice that the Monitor, in consultation with the Debtor, have reviewed your Proof of Claim or D&O Proof of Claim and have revised or disallowed all or part of your purported Claim set out therein for voting and/or distribution purposes. Subject to further dispute by you in accordance with the Claims Identification Order, your Claim will be as follows:

Prefiling Claims

	Amount as Submitted		**Amount allowed by the Monitor for voting purposes:**	**Amount allowed by the Monitor for distribution purposes:**
	Currency			
A. Unsecured		$	$	$
B. Priority		$	$	$
C. D&O Claim		$	$	$
D. Total Claim		$	$	$

Restructuring Claims

	Amount as Submitted		**Amount allowed by the Debtor's for voting purposes:**	**Amount allowed by the Debtor for distribution purposes:**
	Currency			
A. Unsecured		$	$	$
B. Priority		$	$	$
C. D&O Claim		$	$	$
D. Total Claim		$	$	$

Reasons for Revision or Disallowance:

____

____

____

____

SERVICE OF DISPUTE NOTICES

If you intend to dispute your Claim specified in this Notice of Revision or Disallowance for voting and/or distribution purposes, you must, by no later than 5:00 p.m. (Toronto time) on the day that is **fourteen (14) days after this Notice of Revision or Disallowance is deemed to have been received by you** (in accordance with paragraph 28 of the Claims Identification Order), deliver a Notice of Dispute of Revision or Disallowance to the Monitor (by prepaid ordinary mail, registered mail, courier, personal delivery or email) at the address listed below.

If you do not dispute this Notice of Revision or Disallowance in the prescribed manner and within the aforesaid time period, your Claim shall be deemed to be as set out herein.

If you agree with this Notice of Revision or Disallowance, there is no need to file anything further with the Monitor.
The address of the Monitor is set our below:

> **Grant Thornton Limited -**
> **The Court Appointed Monitor of The Second Cup Coffee Company**
> 200 King Street West, 11th Floor
> Toronto, Ontario, Canada
> M5H 3T4
>
> **Email: claimsubmission@ca.gt.com**

In accordance with the Claims Identification Order, notices shall be deemed received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Bay
The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at http://www.doanegrantthornton.ca/SecondCup

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF REVISIONS OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this ● day of ●, 2025

GRANT THORNTON LIMITED, solely in its capacity as Court Appointed Monitor of The Second Cup Coffee Company Inc, and not in its personal or corporate capacity

Per: ________________________________

SCHEDULE "E" - NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE

With respect to Claims against the Debtor and/or D&O Claims against the Directors and/or Officers of the Debtor

Capitalized terms used but not defined in the Notice of Revision or Disallowance shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Debtor dated **May 29, 2025** (the "Claims Identification Order"). You can obtain a copy of the Claims Identification Order on the Monitor's website at: http://www.doanegrantthornton.ca/SecondCup

1. Particulars of the Holder of the Claim:

Claims Reference Number: ___________________________

Full Legal Name of Claimant (include trade name, if different)

____

____

(the "**Claimant**")

Full Mailing Address of the Claimant:

____

____

Other Contact Information of the Claimant:

Telephone Number: ____

Email Address: ____

Facsimile Number: ____

Attention (Contact Person): ____

2. Particulars of original Claimant from whom you acquired the Claim or D&O Claim (if applicable):

Have you acquired this Claim by assignment?[2]

Yes: [ ]   No: [ ]

If yes, and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): ______________________________________

3. Dispute of Revision or Disallowance of Claim:

The Claimant hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance dated ______________________, and asserts a Claim as follows:

Prefiling Claims

	Currency		**Amount allowed by the Monitor in the Notice of Revision or Disallowance for voting/distribution purposes:**	**Amount claimed by Claimant for voting/distribution purposes:**
A. Unsecured				
Voting			$	$
Distribution			$	$
B. Priority				
Voting			$	$
Distribution			$	$
C. D&O Claim				
Voting			$	$
Distribution			$	$
D. Total Claim				
Voting			$	$
Distribution			$	$

[2] Only select 'Yes' if you have been transferred the Claim being referenced herein from another Person.

Restructuring Claims

	Currency		**Amount allowed by the Monitor in the Notice of Revision or Disallowance for voting/distribution purposes:**	**Amount claimed by Claimant for voting/distribution purposes:**
A. Unsecured				
Voting			$	$
Distribution			$	$
B. Priority				
Voting			$	$
Distribution			$	$
C. D&O Claim				
Voting			$	$
Distribution			$	$
D. Total Claim				
Voting			$	$
Distribution			$	$

(Insert particulars of your Claim per the Notice of Revision or Disallowance, and the value of your Claim as asserted by you).

4. **Reasons for Dispute:**

Provide full particulars of why you dispute the revision or disallowance of your Claim as set out in the Notice of Revision or Disallowance, and provide all supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, and amount of Claim allocated thereto, date and number of all invoices, particular of all credits, discounts, etc. claimed, as well as a description of the security, if any, granted to the Claimant and the estimated value of such security. The particulars provided must support the value of the Claim as stated by you in item 3, above.

5. Certification

I hereby certify that:

I am the Claimant or an authorized representative of the Claimant.
I have knowledge of all the circumstances connected with this Claim.
The Claimant submits this Notice of Dispute of Revision or Disallowance in respect of the Claim referenced above.
All available documentation in support of the Claimant's dispute is attached.

All information submitted in this Notice of Dispute of Revision or Disallowance must be true, accurate, and complete. Filing false information relating to your Claim may result in your Claim being disallowed in whole or in part and may result in further penalties.

		Witness:
Signature:	______________________	____________________________ (signature)
Name:	______________________ (print)	
Title:	______________________	

Dated at _____________ this________ day of_________, 2025.

This Notice of Dispute of Revision or Disallowance MUST be returned to and received by the Monitor at the below address **by no later than 5:00 p.m. (Toronto time) on the day that is fourteen (14) days after this Notice of Revision or Disallowance is deemed to have been received by you** (in accordance with the Claims Identification Order, a copy of which can be found on the Monitor's website at http://www.doanegrantthornton.ca/SecondCup

Delivery to the Monitor may be made by ordinary prepaid mail, registered mail, courier, personal delivery or email to the address below.

Grant Thornton Limited -
The Court Appointed Monitor of The Second Cup Coffee Company
200 King Street West, 11th Floor
Toronto, Ontario, Canada
M5H 3T4

Email: claimsubmission@ca.gt.com

In accordance with the Claims Identification Order, notices shall be deemed received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at http://www.doanegrantthornton.ca/SecondCup

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, YOUR CLAIM AS SET OUT IN THE NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY INC.
Respondent

Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

CLAIMS IDENTIFICATION ORDER

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 6400
Toronto ON M5H 3S1

Gavin H. Finlayson LSO# 44126D
Email: gfinlayson@millerthomson.com
Tel: 416.595.8619

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Email: lellis@millerthomson.com
Tel: 416.595.8639

Matthew Cressatti LSO# 77944T
Email: mcressatti@millerthomson.com
Tel: 416-597-4311

Lawyers for the Applicant

ARBAT CAPITAL GROUP LTD. and THE SECOND CUP COFFEE COMPANY INC. Court File No. CV-25-00743485-00CL
Applicant Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

MOTION RECORD
(Returnable May 29, 2025)

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 6400
Toronto ON M5H 3S1

Gavin H. Finlayson LSO# 44126D
Email: gfinlayson@millerthomson.com
Tel: 416.595.8619

Larry Ellis LSO# 49313K
Email: lellis@millerthomson.com
Tel: 416.595.8639

Matthew Cressatti LSO# 77944T
Email: mcressatti@millerthomson.com
Tel: 416-597-4311

Lawyers for the Applicant