Court File No. 2025 01G 1510

SUPREME COURT OF NEWFOUNDLAND & LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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 98711 Newfoundland & Labrador Inc.

EIGHTH REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED IN ITS CAPACITY AS MONITOR

October 21, 2025

Doane Grant Thornton

Grant Thornton Limited
Monitor

1000-1675 Grafton Street
Halifax, NS B3J 0E9

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APPENDICES

Introduction

1. Pursuant to an order ("**Initial Order**") issued by the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (**"Court"**) on March 6, 2025, Nemori Farms Ltd. ("**Nemori**") was granted protection under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 ("**CCAA**"). The Initial Order, among other things:

   (a) appointed Grant Thornton Limited as monitor (in such capacity, the "**Monitor**") in the CCAA proceedings ("**CCAA Proceedings**") pursuant to section 11.7 (1) of the CCAA;

   (b) established an initial stay of proceedings up to and including March 14, 2025 (the "**Stay of Proceedings**"); and

   (c) granted an administration charge of $150,000 (the "**Administration Charge**") securing the fees and expenses of the Monitor, counsel to the Monitor, and counsel to the Company in respect of the CCAA Proceedings.

2. Subsequent Court orders extended the Stay of Proceedings to October 22, 2025, increased the Administration Charge to $400,000, approved a Debtor-in-Possession Term Sheet ("**DIP Term Sheet**") with the Royal Bank of Canada ("**RBC**" and in such capacity, the "**DIP Lender**") up to the maximum principal amount of $825,000 ("**DIP Facility**"), approved a charge securing the DIP Facility on the Company's property (the "**DIP Charge**"), ranking subordinate only to the Administration Charge, and empowered the Monitor to implement and carry out the Sales and Investment Solicitation Process ("**SISP**") as described in the Monitor's Second Report.

3. On September 17th, 2025 the Court issued the Approval and Reverse Vesting Order ("**RVO**") which, among other things:

   (a) approved the Transaction between the Successful Bidder in the SISP and Nemori pursuant to the executed subscription agreement dated September 4, 2025 ("**Subscription Agreement**");

   (b) approved the addition of 98711 Newfoundland & Labrador Incorporated ("**ResidualCo**"), as defined in the Subscription Agreement and RVO, as an applicant to this CCAA Proceeding and granting the Monitor with enhanced powers ("**Enhanced**

Powers") over ResidualCo upon the filing of a Monitor's Certificate confirming that the transactions have closed and the directors of ResidualCo have resigned;

(c) approved the transfer of and vesting of all Nemori's right, title and interest in and to the Excluded Assets and the Excluded Liabilities in and to ResidualCo; and

(d) approved a distribution to RBC in its capacity as senior secured creditor and DIP Lender to Nemori upon closing of the Proposed Transaction, subject to holding back funds for potential priority payments and to wind down these CCAA Proceedings.

4. This eighth report of the Monitor ("**Eighth Report**"), previous Court reports, and all information in respect of the CCAA Proceedings are posted to the Monitor's case website at www.DoaneGrantThornton.ca/Nemori. Readers are encouraged to read the reports of the Monitor, the materials filed with the Court in relation to these CCAA Proceedings, and orders issued by the Court to provide additional information on the Company's background and insolvency proceedings as follows:

Reports to the Court:

(a) Pre-Filing Report, dated March 5, 2025

(b) First Report, dated March 13, 2025

(c) Second Report, dated April 22, 2025

(d) Third Report, dated June 25, 2025

(e) Fourth Report, dated July 16, 2025

(f) Fifth Report, dated July 29, 2025

(g) Sixth Report, dated September 4, 2025

(h) Seventh Report, dated October 8, 2025

Orders of the Court:

(i) Initial Order, dated March 6, 2025

(j) Amended and Restated Initial Order, dated March 14, 2025

(k) First Amended and Restated Initial Order, dated April 24, 2025

(l) SISP Order, dated April 24, 2025

(m) Stay Extension and Sealing Order, dated June 30, 2025

(n) SISP Directions Order, dated July 17, 2025

(o) Stay Extension Order, dated August 1, 2025

(p) Approval and Reverse Vesting Order, dated September 17th, 2025

(q) Stay Extension Order, dated October 9, 2025

(r) Protection Order, dated October 9, 2025

Purpose of the Eighth Report

5. This Eighth Report has been prepared by the Monitor to provide the Court and ResidualCo's stakeholders with the following:

(a) an update on the status of the transactions pursuant to the Subscription Agreement between Nemori, as vendor, and 98566 Newfoundland and Labrador Ltd., the assignee of all of the rights and obligations of CoastalAgri Commodities Limited, as purchaser ("**Purchaser**") as approved by the RVO;

(b) an update on the Monitor's activities since the Seventh Report;

(c) the Monitor's plan and intended actions to wind down these CCAA Proceedings; and

(d) the Monitor's recommendation that the Stay of Proceedings be extended up to December 8, 2025.

Terms of Reference

6. In preparing this Eighth Report, the Monitor has relied upon unaudited internal financial statements, certain other financial information and financial projections of Nemori, discussions with former management of Nemori ("**Management**"), discussions with Nemori's legal and financial advisors, and financial information provided by Nemori's stakeholders (collectively, the "**Information**"). While the Monitor has reviewed the Information for reasonableness and believes that the information provides a fair summary of the transactions and underlying financial position as reflected in the documents of Nemori, the Monitor has not audited, reviewed, or otherwise attempted to verify the

accuracy or completeness of the Information in a manner that would comply with Canadian Generally Accepted Auditing Standards.

7. Some of the Information used in preparing this report consists of forward-looking information. The Monitor cautions that such information is based on assumptions about future events and conditions that are not yet ascertainable. The actual results with respect to the forward-looking information and the variations thereof could be significant.

8. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the Information and explanations presented to it by Management, Nemori's advisors, directors and other stakeholders within the context in which the Information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor requested that Management, directors, and other stakeholders bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this report is based solely on the Information (financial or otherwise) made available to the Monitor by the Company, Management and other stakeholders.

9. This report has been prepared for the use of this Court and ResidualCo's stakeholders as general information relating to the Company and these CCAA Proceedings, and to assist the Court in determining whether to grant the relief sought. Accordingly, the reader is cautioned that this report may not be appropriate for any other purpose. The Monitor does not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meaning given to them in the Monitor's previous reports, orders of the Court in these CCAA Proceedings, or the March 3, 2025 affidavit of Sheldon Cameron ("**Cameron Affidavit**").

Nemori Transaction Update

11. On October 15, 2025, the transactions outlined in the Subscription Agreement (the "**Nemori Transaction**") closed. The Monitor's Certificate confirming that all conditions to closing set out in the Subscription Agreement had been satisfied or waived by the

Purchaser or Nemori, as applicable, and the Purchase Price had been received pursuant to the Subscription Agreement is attached as **Appendix "A"**.

12. As a result of the Nemori Transaction closing and pursuant to the RVO, among other things:

    (a) Nemori exited these CCAA Proceedings under new ownership by the Purchaser and was replaced by ResidualCo;

    (b) The Excluded Assets and Excluded Liabilities, as defined in the Subscription Agreement, vested in ResidualCo;

    (c) The directors of ResidualCo were deemed to have resigned; and

    (d) The Monitor's enhanced powers over ResidualCo became effective.

Monitors Activities

13. Since the date of the Seventh Report, the Monitor's activities have included, but are not limited to:

    (a) Corresponding with Nemori and its counsel, the Purchaser and its counsel, and RBC regarding collective efforts to close the Nemori Transaction;

    (b) Requesting various updates and support regarding Nemori's cash position and actual expenditures relative to its Cash Flow Forecast through closing, and discussing various updates with Management and Resolve regarding same;

    (c) Corresponding with Nemori and DFNL regarding the October 9, 2025 Protection Order which required the proceeds from the October 15, 2025 milk cheque and future payments owing to Nemori at closing to be provided to the Monitor pursuant to the Subscription Agreement;

    (d) Corresponding with certain creditors with contracts for equipment or vehicles that were not purchased in the Nemori Transaction, collectively attached at **Appendix "B"**, requesting the associated creditors retrieve their vehicles and equipment;

    (e) Providing updates to RBC as DIP Lender and senior secured creditor regarding the Monitor's proposed plan to wind down these CCAA Proceedings;

(f) Preparing the interim distribution to RBC as DIP Lender and senior secured creditor, subject to the Distribution Holdback, as outlined in the Confidential Appendix to the Sixth Report and approved by the RVO;

(g) Maintained the stakeholder website for these CCAA Proceedings at www.DoaneGrantThornton.ca/Nemori and responded to inquiries from creditors and stakeholders, including DFNL, CRA and Headline Holsteins; and

(h) Prepared this Eighth Report.

Wind Down of these CCAA Proceedings

14. As the Nemori Transaction has now closed, the remaining matters required to finalize these CCAA Proceedings primarily include:

(a) Facilitating claims by former employees of Nemori to Service Canada pursuant to the Wage Earner Protection Program;

(b) Collecting the accounts receivable for milk production from October 1 to October 15 which proceeds did not form part of the Nemori Transaction, and that DFNL has confirmed will be forwarded directly to the Monitor;

(c) Paying outstanding professional fees pursuant to the Administration Charge; and

(d) Applying for a final distribution of proceeds from the Nemori Transaction from the Distribution Holdback and seeking the Monitor's discharge

(together, the "**Remaining Matters**").

15. As outlined in the Sixth Report, the Distribution Holdback includes the Monitor's estimates of amounts potentially owing to priority creditors as prescribed in sections 6(5)(a) and (6)(a) of the CCAA, including priority pre-filing amounts owing to CRA and amounts that may be payable pursuant to WEPP, as well as a contingency for other priority payables that are to be made from the Company's working capital pursuant to the Subscription Agreement.

16. The Monitor understands from reviewing Nemori's cash flow throughout these CCAA Proceedings and from discussions with Management that Nemori had minimal credit with its trade suppliers and most vendors required payment prior to delivery of goods or

services. The Monitor has also been contacted by certain creditors who have indicated that post-filing credit was provided to Nemori for services and supplies provided post-filing, and that amounts were still owing at the closing of the Nemori Transaction.

17. To ensure that all such post-filing suppliers have notice of the proposed distribution and wind-down of these proceedings, the Monitor intends to:

(a) Notify all creditors, based on the books and records of Nemori, by October 27, 2025 to advise the Nemori Transaction has now closed and the Monitor intends to apply to the Court for a final distribution and discharge to complete these CCAA Proceedings;

(b) Advise creditors that no distribution to unsecured creditors for pre-filing amounts owing will be available given the balance owing to RBC as senior secured creditor, as confirmed by the independent security opinion ("**Security Opinion**") attached as Appendix "E" to the Monitor's Sixth Report;

(c) Request that creditors advise the Monitor if any post-filing payables exist and provide evidence of same to the Monitor by November 17, 2025;

(d) In conjunction with the Monitor's counsel, if the Monitor deems necessary for the purpose of distribution, the Monitor will review all post-filing claims as well as any amounts that may rank in priority to RBC pursuant to the Security Opinion, such as pre-filing amounts owing to CRA, WEPP or potential liens, and prepare an application for final distribution on notice to all creditors; and

(e) The Monitor will run an advertisement in AllNewfoundland advising of its intention to make a final distribution and be discharged.

18. The Monitor is of the view that the steps outlined above are a reasonable and cost-effective process to provide the Monitor and the Court comfort that the limited universe of potential claimants that may assert claims against the Distribution Holdback are identified and notified prior to applying for a final distribution and discharge.

19. The Monitor has discussed its proposed action plan with RBC's financial advisor and understands generally that RBC is supportive of same.

20. For certainty, the Monitor will not make any payments to creditors from the Distribution Holdback until such time as they are approved by the Court. In the event that a

disagreement exists between the Monitor and any creditor as regards the priority, existence or accuracy of a claim against the Distribution Holdback, such matter will be brought forward by the Monitor to the Court.

Stay Extension

21. The Monitor is seeking to extend the Stay of Proceedings through December 8, 2025 to complete the Remaining Matters outlined above.

Good Faith and Due Diligence

22. As at the date of this Sixth Report, the Monitor:

(a) is of the view that ResidualCo and its stakeholders are acting in good faith and with due diligence, pursuant to section 18.6(1) of the CCAA;

(b) is not of the view that it would be more beneficial to the Companies' creditors if proceedings were taken under the *Bankruptcy and Insolvency Act*, pursuant to section 23(1)(h) of the CCAA; and

(c) is not aware of any issue or condition that could be considered a material adverse change pursuant to s. 23(1)(d) of the CCAA.

Conclusion and Recommendation

23. For the reasons set out in this Eighth Report, the Monitor recommends the Court grant the relief sought.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 21st day of October, 2025.

GRANT THORNTON LIMITED, SOLELY IN ITS CAPACITY AS MONITOR OF NEMORI FARMS LTD.
AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President

Appendix A

Monitor's Certificate re Closing of Nemori Transaction

2025 01G 1510
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Companies' Creditors Arrangement Act* R.S.C., 1985 c. C-36, as amended (the "**CCAA**")

AND IN THE MATTER OF an application of Nemori Farms Ltd. (the "**Company**")

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Initial Order of the Honourable Justice MacDonald of the Supreme Court of Newfoundland and Labrador (In Bankruptcy and Insolvency) (the "**Court**") dated March 6, 2025, as amended and restated on March 14, 2025 and April 24, 2025 (the "**ARIO**"), Nemori Farms Ltd. ("**Nemori**") was granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act* R.S.C., 1985 c. C-36, as amended and Grant Thornton Limited was appointed as the monitor of Nemori (in such capacity, the "**Monitor**").

B. Pursuant to an Order of the Court dated September 17, 2025 (the "**Approval and Reverse Vesting Order**"), the Court, *inter alia*, (i) approved the Share Subscription Agreement ("**Subscription Agreement**") entered into by and between Nemori, as vendor, and 98566 Newfoundland and Labrador Ltd., the assignee of all of the rights and obligations of CoastalAgri Commodities Limited, as purchaser ("**Purchaser**"); (ii) approved the transactions contemplated by the Subscription Agreement; (iii) added 98711 Newfoundland & Labrador Incorporated ("**ResidualCo**") as an Applicant to these CCAA proceedings; (iv) vested all of Nemori's right, title and interest in and to the Excluded Assets and the Excluded Liabilities in and to ResidualCo; (v) authorized and directed Nemori to file the Articles of Reorganization (if determined necessary by the Purchaser); and (viii) vested all of the right, title and interest in and to the Purchased Shares in the Purchaser.

C. Unless otherwise indicated herein, all terms have the meanings given to them in the Subscription Agreement or the Approval and Reverse Vesting Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from Nemori and the Purchaser, in form and substance satisfactory to the Monitor, that all conditions to closing set out in the Subscription Agreement have been satisfied or waived by the Purchaser or Nemori, as applicable; and

2. The Purchaser has paid to the satisfaction of the Monitor the Purchase Price in accordance with the Subscription Agreement.

This Certificate was delivered by the Monitor at Halifax, NS on October 15, 2025.

Grant Thornton Limited, in its capacity as Monitor of the Company, and not in its personal or corporate capacity

Per: ______________________

Name: Liam Murphy, CPA, CA, CIRP, LIT

Title: Senior Vice President

Appendix B

Correspondence to Creditors re Equipment Retrieval

Doane Grant Thornton

October 17, 2025

VIA Email: jthornton@leasedirect.com

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De Lage Landen Financial Services Canada Inc. ("**De Lage**")
5046 Mainway, Unit 1
Burlington, Ontario
Canada, L7L 5Z1

Re: Nemori Farms Ltd.

Background:
Pursuant to an Initial Order of the Honourable Justice MacDonald of the Supreme Court of Newfoundland and Labrador (In Bankruptcy and Insolvency) (the "**Court**") dated March 6, 2025, Nemori Farms Ltd. ("**Nemori**") was granted protection from its creditors pursuant to the *Companies' Creditors Arrangement Act* R.S.C., 1985 c. C-36, as amended and Grant Thornton Limited was appointed as the monitor of Nemori (in such capacity, the "**Monitor**").

On September 17, 2025, the Court issued the Sale Approval and Reverse Vesting Order (the "**RVO**"), approving the Share Subscription Agreement ("**Subscription Agreement**") entered into by and between Nemori, as vendor, and 98566 Newfoundland and Labrador Ltd., the assignee of all of the rights and obligations of CoastalAgri Commodities Limited, as purchaser ("**Purchaser**"). The Subscription Agreement outlined a transaction for substantially all Nemori's assets as a going concern transaction for the business.

Amongst other things, the RVO (i) approved the transactions contemplated by the Subscription Agreement; (ii) added 98711 Newfoundland & Labrador Incorporated ("**ResidualCo**") as an Applicant to these CCAA proceedings at closing; and (iii) vested all of Nemori's right, title and interest in and to the Excluded Assets and the Excluded Liabilities, as defined in the Subscription Agreement, in and to ResidualCo.

The transactions contemplated in the Subscription Agreement and approved by the RVO closed on October 15, 2025. Pursuant to the RVO, the Monitor has been granted enhanced powers over ResidualCo.

As a result of the restructuring, Nemori has now exited the CCAA Proceedings, and all Excluded Assets and Excluded Liabilities not purchased by the purchaser have been transferred to ResidualCo. ResidualCo will remain in the CCAA proceeding under the supervision of the Monitor.

Effect of RVO:
Pursuant to the Subscription Agreement and the RVO, the Purchaser did not assume any contracts, obligations or liabilities related to vehicles or equipment. Therefore, such vehicles and equipment and any associated contracts have been transferred to ResidualCo to be dealt with by the Monitor.

Doane Grant Thornton

The Monitor understands that Nemori has secured obligations to De Lage pertaining to the following:

- 2023 JCB 215 Canopy Skid Steer, with a security registration dated October 3, 2024, bearing Registration Number 22180186, in favor of De Lage, stated to secure a motor vehicle with serial number GE03CGFBTP3235334 (the "**Equipment**").

The Equipment was not included in the Subscription Agreement and was therefore not purchased by the Purchaser. The Monitor has requested that the Purchaser ensure the Equipment is safely parked at a secure location for retrieval.

Disclaimer of Contract per Section 32 of the CCAA:
All contracts vested in ResidualCo are hereby disclaimed pursuant to section 32 of the CCAA unless prohibited by section 32(9) of the CCAA.

Next Steps:
Neither the Purchaser nor the Monitor intend to take possession of the Equipment. Please contact the Monitor (Ben Chisholm at Ben.Chisholm@Doane.GT.ca) to coordinate retrieval at your own expense. You are hereby advised to take whatever protective measures you deem advisable, including arranging for insurance, in the circumstances.

Should you realize on the Equipment pursuant to your security, and such realization results in proceeds available greater than the balance owing to you, we request that you make a full accounting to the Monitor of the following:

1. Method of realization, if applicable
2. Gross proceeds
3. Costs incurred in taking possession
4. Surplus or deficit resulting from the realization.

In the event that surplus exists from realization of the Equipment, the surplus is for the general benefit of creditors and must be forwarded to the Monitor directly. If you have any questions or require further information, please contact Ben Chisholm at 902-417-2829 or ben.chisholm@doane.gt.ca

Thank you for your assistance in this matter.

GRANT THORNTON LIMITED
In its capacity as Court Appointed Monitor of
98711 Newfoundland & Labrador Incorporated

L Murphy

Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President
Grant Thornton Limited

Encl.

October 17, 2025

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VIA Email: Joanna.Alford@meridianonecap.ca

Meridian OneCap ("**Meridian**")
PO Box 30597 RPO Madison,
Burnaby BC V5C 6J5

Re: Nemori Farms Ltd.

Background:

Pursuant to an Initial Order of the Honourable Justice MacDonald of the Supreme Court of Newfoundland and Labrador (In Bankruptcy and Insolvency) (the "**Court**") dated March 6, 2025, Nemori Farms Ltd. ("**Nemori**") was granted protection from its creditors pursuant to the *Companies' Creditors Arrangement Act* R.S.C., 1985 c. C-36, as amended and Grant Thornton Limited was appointed as the monitor of Nemori (in such capacity, the "**Monitor**").

On September 17, 2025, the Court issued the Sale Approval and Reverse Vesting Order (the "**RVO**"), approving the Share Subscription Agreement ("**Subscription Agreement**") entered into by and between Nemori, as vendor, and 98566 Newfoundland and Labrador Ltd., the assignee of all of the rights and obligations of CoastalAgri Commodities Limited, as purchaser ("**Purchaser**"). The Subscription Agreement outlined a transaction for substantially all Nemori's assets as a going concern transaction for the business.

Amongst other things, the RVO (i) approved the transactions contemplated by the Subscription Agreement; (ii) added 98711 Newfoundland & Labrador Incorporated ("**ResidualCo**") as an Applicant to these CCAA proceedings at closing; and (iii) vested all of Nemori's right, title and interest in and to the Excluded Assets and the Excluded Liabilities, as defined in the Subscription Agreement, in and to ResidualCo.

The transactions contemplated in the Subscription Agreement and approved by the RVO closed on October 15, 2025. Pursuant to the RVO, the Monitor has been granted enhanced powers over ResidualCo.

As a result of the restructuring, Nemori has now exited the CCAA Proceedings, and all Excluded Assets and Excluded Liabilities not purchased by the purchaser have been transferred to ResidualCo. ResidualCo will remain in the CCAA proceeding under the supervision of the Monitor.

Effect of RVO:

Pursuant to the Subscription Agreement and the RVO, the Purchaser did not assume any contracts, obligations or liabilities related to vehicles or equipment. Therefore, such vehicles and equipment and any associated contracts have been transferred to ResidualCo to be dealt with by the Monitor.

The Monitor understands that Nemori has secured obligations to Meridian pertaining to the following:

- 2017 New Holland T7.230 Tractor, with a security a registration dated March 13, 2023, bearing Registration Number 20613766, in favour of OneCap, stated to secure a tractor with serial number **HACT7230TJE401777**; (the "**Equipment**").

The Equipment was not included in the Subscription Agreement and was therefore not purchased by the Purchaser. The Monitor has requested that the Purchaser ensure the Equipment is safely parked at a secure location for retrieval.

Disclaimer of Contract per Section 32 of the CCAA:
All contracts vested in ResidualCo are hereby disclaimed pursuant to section 32 of the CCAA unless prohibited by section 32(9) of the CCAA.

Next Steps:
Neither the Purchaser nor the Monitor intend to take possession of the Equipment. Please contact the Monitor (Ben Chisholm at Ben.Chisholm@Doane.GT.ca) to coordinate retrieval at your own expense. You are hereby advised to take whatever protective measures you deem advisable, including arranging for insurance, in the circumstances.

Should you realize on the Equipment pursuant to your security, and such realization results in proceeds available greater than the balance owing to you, we request that you make a full accounting to the Monitor of the following:

1. Method of realization, if applicable
2. Gross proceeds
3. Costs incurred in taking possession
4. Surplus or deficit resulting from the realization.

In the event that surplus exists from realization of the Equipment, the surplus is for the general benefit of creditors and must be forwarded to the Monitor directly. If you have any questions or require further information, please contact Ben Chisholm at 902-417-2829 or ben.chisholm@doane.gt.ca

Thank you for your assistance in this matter.

GRANT THORNTON LIMITED
In its capacity as Court Appointed Monitor of
98711 Newfoundland & Labrador Incorporated

L Murphy

Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President
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Encl.

Doane Grant Thornton

October 17, 2025

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VIA Email: *kcl_g.finance@kubota.com; tara.benson@kubota.com*

Kubota Canada Ltd ("**Kubota**")
1155 Kubota Drive
Pickering, ON
L1X 0H4

Re: Nemori Farms Ltd.

Background:

Pursuant to an Initial Order of the Honourable Justice MacDonald of the Supreme Court of Newfoundland and Labrador (In Bankruptcy and Insolvency) (the "**Court**") dated March 6, 2025, Nemori Farms Ltd. ("**Nemori**") was granted protection from its creditors pursuant to the *Companies' Creditors Arrangement Act* R.S.C., 1985 c. C-36, as amended and Grant Thornton Limited was appointed as the monitor of Nemori (in such capacity, the "**Monitor**").

On September 17, 2025, the Court issued the Sale Approval and Reverse Vesting Order (the "**RVO**"), approving the Share Subscription Agreement ("**Subscription Agreement**") entered into by and between Nemori, as vendor, and 98566 Newfoundland and Labrador Ltd., the assignee of all of the rights and obligations of CoastalAgri Commodities Limited, as purchaser ("**Purchaser**"). The Subscription Agreement outlined a transaction for substantially all Nemori's assets as a going concern transaction for the business.

Amongst other things, the RVO (i) approved the transactions contemplated by the Subscription Agreement; (ii) added 98711 Newfoundland & Labrador Incorporated ("**ResidualCo**") as an Applicant to these CCAA proceedings at closing; and (iii) vested all of Nemori's right, title and interest in and to the Excluded Assets and the Excluded Liabilities, as defined in the Subscription Agreement, in and to ResidualCo.

The transactions contemplated in the Subscription Agreement and approved by the RVO closed on October 15, 2025. Pursuant to the RVO, the Monitor has been granted enhanced powers over ResidualCo.

As a result of the restructuring, Nemori has now exited the CCAA Proceedings, and all Excluded Assets and Excluded Liabilities not purchased by the purchaser have been transferred to ResidualCo. ResidualCo will remain in the CCAA proceeding under the supervision of the Monitor.

Effect of RVO:

Pursuant to the Subscription Agreement and the RVO, the Purchaser did not assume any contracts, obligations or liabilities related to vehicles or equipment. Therefore, such vehicles and equipment and any associated contracts have been transferred to ResidualCo to be dealt with by the Monitor.

The Monitor understands that Nemori has secured obligations to Kubota pertaining to the following equipment (the "**Equipment**"):

(1) Front-Mounted Disc Mower-Swath Augers 10'6"
(2) Dual Rotor Rake Centre
(3) 024 148HP DSL 30F/15R Deluxe Powershift Tractor

With security registrations as follows:

- A registration dated June 12, 2024, bearing Registration Number 21834361, in favor of Kubota, stated to secure two tractors with serial numbers KBTMKFSAKNFH12285 and 114184500224
- A registration dated September 6, 2024, bearing Registration Number 22099048, in favor of Kubota, stated to secure a tractor with serial number UKGRACB9PP2803749
- A registration dated October 16, 2024, bearing Registration Number 22211338, in favor of Kubota, stated to secure a tractor with serial number KT486349

The Equipment was not included in the Subscription Agreement and was therefore not purchased by the Purchaser. The Monitor has requested that the Purchaser ensure the Equipment is safely parked at a secure location for retrieval.

Disclaimer of Contract per Section 32 of the CCAA:
All contracts vested in ResidualCo are hereby disclaimed pursuant to section 32 of the CCAA unless prohibited by section 32(9) of the CCAA.

Next Steps:
Neither the Purchaser nor the Monitor intend to take possession of the Equipment. Please contact the Monitor (Ben Chisholm at Ben.Chisholm@Doane.GT.ca) to coordinate retrieval at your own expense. You are hereby advised to take whatever protective measures you deem advisable, including arranging for insurance, in the circumstances.

Should you realize on the Equipment pursuant to your security, and such realization results in proceeds available greater than the balance owing to you, we request that you make a full accounting to the Monitor of the following:

1. Method of realization, if applicable
2. Gross proceeds
3. Costs incurred in taking possession
4. Surplus or deficit resulting from the realization.

In the event that surplus exists from realization of the Equipment, the surplus is for the general benefit of creditors and must be forwarded to the Monitor directly.

Doane
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If you have any questions or require further information, please contact Ben Chisholm at 902-417-2829 or ben.chisholm@doane.gt.ca

Thank you for your assistance in this matter.

GRANT THORNTON LIMITED
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October 17, 2025

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Bennington Financial Corp. ("**Bennington**")
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Re: Nemori Farms Ltd.

Background:

Pursuant to an Initial Order of the Honourable Justice MacDonald of the Supreme Court of Newfoundland and Labrador (In Bankruptcy and Insolvency) (the "**Court**") dated March 6, 2025, Nemori Farms Ltd. ("**Nemori**") was granted protection from its creditors pursuant to the *Companies' Creditors Arrangement Act* R.S.C., 1985 c. C-36, as amended and Grant Thornton Limited was appointed as the monitor of Nemori (in such capacity, the "**Monitor**").

On September 17, 2025, the Court issued the Sale Approval and Reverse Vesting Order (the "**RVO**"), approving the Share Subscription Agreement ("**Subscription Agreement**") entered into by and between Nemori, as vendor, and 98566 Newfoundland and Labrador Ltd., the assignee of all of the rights and obligations of CoastalAgri Commodities Limited, as purchaser ("**Purchaser**"). The Subscription Agreement outlined a transaction for substantially all Nemori's assets as a going concern transaction for the business.

Amongst other things, the RVO (i) approved the transactions contemplated by the Subscription Agreement; (ii) added 98711 Newfoundland & Labrador Incorporated ("**ResidualCo**") as an Applicant to these CCAA proceedings at closing; and (iii) vested all of Nemori's right, title and interest in and to the Excluded Assets and the Excluded Liabilities, as defined in the Subscription Agreement, in and to ResidualCo.

The transactions contemplated in the Subscription Agreement and approved by the RVO closed on October 15, 2025. Pursuant to the RVO, the Monitor has been granted enhanced powers over ResidualCo.

As a result of the restructuring, Nemori has now exited the CCAA Proceedings, and all Excluded Assets and Excluded Liabilities not purchased by the purchaser have been transferred to ResidualCo. ResidualCo will remain in the CCAA proceeding under the supervision of the Monitor.

Effect of RVO:

Pursuant to the Subscription Agreement and the RVO, the Purchaser did not assume any contracts, obligations or liabilities related to vehicles or equipment. Therefore, such vehicles and equipment and any associated contracts have been transferred to ResidualCo to be dealt with by the Monitor.

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The Monitor understands that Nemori has secured obligations to Bennington pertaining to the following:

- TMR Mixer, with a security registration dated August 20, 2024, bearing Registration Number 22047401, in favor of Bennington, stated to secure all present and future equipment captured by lease agreement 50030831, including a 2024 Supreme 1200T TMR Mixer with serial number 12T24010 (the "**Equipment**").

The Equipment was not included in the Subscription Agreement and was therefore not purchased by the Purchaser. The Monitor has requested that the Purchaser ensure the Equipment is safely parked at a secure location for retrieval.

Disclaimer of Contract per Section 32 of the CCAA:
All contracts vested in ResidualCo are hereby disclaimed pursuant to section 32 of the CCAA unless prohibited by section 32(9) of the CCAA.

Next Steps:
Neither the Purchaser nor the Monitor intend to take possession of the Equipment. Please contact the Monitor (Ben Chisholm at Ben.Chisholm@Doane.GT.ca) to coordinate retrieval at your own expense. You are hereby advised to take whatever protective measures you deem advisable, including arranging for insurance, in the circumstances.

Should you realize on the Equipment pursuant to your security, and such realization results in proceeds available greater than the balance owing to you, we request that you make a full accounting to the Monitor of the following:

1. Method of realization, if applicable
2. Gross proceeds
3. Costs incurred in taking possession
4. Surplus or deficit resulting from the realization.

In the event that surplus exists from realization of the Equipment, the surplus is for the general benefit of creditors and must be forwarded to the Monitor directly. If you have any questions or require further information, please contact Ben Chisholm at 902-417-2829 or ben.chisholm@doane.gt.ca

Thank you for your assistance in this matter.

GRANT THORNTON LIMITED
In its capacity as Court Appointed Monitor of
98711 Newfoundland & Labrador Incorporated

L Murphy

Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President
Grant Thornton Limited
Encl.