Court File No. 2025 01G 1510

SUPREME COURT OF NEWFOUNDLAND & LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of
Nemori Farms Ltd.

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

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

July 29, 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. (the "**Company**") 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 August 1, 2025, increased the Administration Charge to $250,000, approved the 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. This fifth report of the Monitor ("**Fifth 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 following 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:

<u>Reports to the Court:</u>

   (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

Orders of the Court:

(f) Initial Order, dated March 6, 2025

(g) ARIO, dated March 14, 2025

(h) FARIO, dated April 24, 2025

(i) SISP Order, dated April 24, 2025

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

(k) Order re Directions on SISP, dated July 17, 2025 ("**SISP Directions Order**")

Purpose of the Fifth Report

4. This Fifth Report has been prepared by the Monitor to provide the Court and the Company's stakeholders with the following:

(a) an update on the Monitor's activities pursuant to the SISP Directions Order of July 17, 2025;

(b) the anticipated next steps in these CCAA Proceedings;

(c) an update on the Company's actual performance relative to the Cash Flow Forecast filed in the Monitor's Third Report;

(d) the Monitor's view of the Company's revised cash flow forecast ("**Revised Cash Flow Forecast**") through September 5, 2025; and

(e) the Monitor's views and recommendations regarding the Company's application to extend the Stay of Proceedings through September 5, 2025.

Terms of Reference

5. In preparing this Fifth Report, the Monitor has relied upon unaudited internal financial statements, certain other financial information and financial projections of the Company, discussions with management of the Company ("**Management**"), discussions with the

Company's legal and financial advisors and financial information provided by the Company'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 the Company, 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.

6. 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.

7. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the Information and explanations presented to it by Management, the Company's advisors, directors of the Company, and other Company 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.

8. This report has been prepared for the use of this Court and the Company'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 by the Company. 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.

9. 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**").

Activities Pursuant to SISP Directions Order

10. Pursuant to the SISP Directions Order, attached at **Appendix "A"**, on July 17, 2025 the Monitor disclosed to the Company and RBC the details of the three highest Qualified Bids received in the SISP. Following this disclosure, the Monitor and its counsel held various follow up discussions with both the Company and RBC regarding the disclosed Qualified Bids.

11. On July 24th the Monitor and RBC held a meeting with the highest Qualified Bidder that submitted a going-concern bid in the SISP, Coastal Agri Commodities Ltd. ("**Coastal**" and "**Coastal Bid**") to discuss certain aspects of the Coastal bid. At the conclusion of the meeting, Coastal confirmed its bid was unchanged and that Coastal was willing to move forward if a decision could be made quickly. The Monitor subsequently advised the Company of the meeting pursuant to paragraph 3.2 of the SISP Directions Order.

12. On July 28th, counsel to RBC advised the Monitor that RBC would be supportive of Coastal's Qualified Bid being put forward for approval by the Court, rather than RBC's liquidation bid which had been previously selected by the Monitor as the Successful Bid in the SISP. The Monitor has discussed with the Company and understands the Company is supportive of advancing the Coastal Bid for Court approval.

Expected Next Steps in these CCAA Proceedings

13. The Monitor anticipates the next steps in these CCAA Proceedings will include, among other things:

    (a) Working with Coastal and the Company to discuss a transition and oversight plan for ongoing operations until such time as the Court can consider an application to approve the Coastal Bid;

    (b) Working with counsel to the Company and counsel to Coastal to finalize a definitive agreement and transaction documents for the Coastal Bid, which the Monitor understands will proceed by way of subscription agreement and reverse vesting order;

    (c) Upon finalizing a definitive agreement and transaction documents, requesting time before the Court for approval of the Coastal Bid pursuant to the SISP as soon as practicable while providing sufficient notice, expected to be in mid-August; and

(d) After Court approval, working to close the transaction after which the Monitor will apply to the Court for necessary relief to wind down and conclude these CCAA Proceedings.

Performance Relative to Cash Flow Forecast

14. A summary of the Company's budget to actual results compared with the Revised Cash Flow Forecast included in the Third Report of the Monitor are included below, along with cumulative variance for these CCAA Proceedings:

Nemori Farms Limited Budget to Actuals - Variance Report Weeks 16-19	Weeks 16-19 June 23, 2025 - July 21, 2025			Cumulative (Weeks 1-19) March 10, 2025 - July 21, 2025		
	Budget	Actual	Variance	Budget	Actual	Variance
Cash Receipts	370,750	349,671	(21,079)	2,449,322	2,428,243	(21,079)
Operational Disbursements	192,879	288,195	95,316	1,763,345	1,858,660	95,315
Net Operating Cash Flows	**177,871**	**61,477**	**(116,394)**	**685,977**	**569,583**	**(116,394)**
Operational Improvement (SCAP Program)	-	-	-	(75,490)	(75,490)	0
Net Cash Flows prior to Professional Fees	**177,871**	**61,477**	**(116,394)**	**610,487**	**494,093**	**(116,394)**
Professional Fees	72,500	115,501	43,001	386,982	429,983	43,001
Total Net Cash Flow	**105,371**	**(54,024)**	**(159,395)**	**223,505**	**64,110**	**(159,395)**
Opening Cash Balance	143,566	143,566	-	25,432	25,432	-
Net Cash Flow	105,371	(54,024)	(159,395)	223,505	64,110	(159,395)
Ending Balance	**248,937**	**89,542**	**(159,395)**	**248,937**	**89,542**	**(159,395)**

15. Based on the Monitor's continuous review of the Company's results and discussions with the Company and Resolve, the Monitor's comments on the material variances between the Company's actual cash flows for the period to July 21, 2025 (Week 19), compared to the Revised Cash Flow Forecast are as follows:

(a) Cash Receipts are below budget by $21,079, primarily a reduction in milk volumes and associated sales being lower than forecast resulting from breakdowns of the vacuum and compressed air systems in June and impacting total production.

(b) Operational Disbursements are overall greater than budget by $95,315, which the Monitor understands was driven by the following factors:

i. Repairs, maintenance, and veterinary care activity was higher than forecast by approximately $37k due to (1) unforeseen required repairs to the milk parlour and (2) repairs to the vacuum and compressed air systems. The Monitor understands a new computer to control the system was required to be purchased in June and (2) two cows required surgery post calving, none of which was included in the original forecast.

ii. Feed was higher than budget by $26k due to the purchase of barley, corn, and mineral in the same week. The Monitor understands this is not typical and is a timing related variance, and was done to save transportation costs.

iii. Payroll was greater than budget through June by approximately $8k, due to additional labor being required for the second cut of hay being completed as well as the spreading of manure.

iv. The Monitor is advised the remaining differences are due to timing of payments for accounting and administrative, insurance, and operational leases, which are expected to reverse in the coming weeks.

(c) Professional Fees paid through Week 21 were lower than budget by approximately $43k, a timing difference. The Monitor has noted previously that, given the extensive involvement of the professionals since the commencement of these CCAA Proceedings, the Monitor expects actual costs for Professional Fees to be higher than forecast on an accrual basis. This is discussed further relative to the Administration Charge in the Revised Cash Flow Forecast below.

16. The Monitor has discussed the current cash constraints with the Company and Resolve and understands the Company will be operating as lean as practicable in the coming weeks while prioritizing continued operations, milk production and animal health. The Company has advised the Monitor that, despite un-forecasted repairs and maintenance, milk production has increased since the outset of the CCAA Proceedings and the Revised Cash Flow Forecast, discussed below, demonstrates the Company projects to have sufficient funds to operate in the coming weeks while it works with the Monitor to advance a transaction.

Revised Cash Flow Forecast

17. The Revised Cash Flow Forecast has been prepared by the Company and Resolve to project the Company's cash requirements through the proposed extension of the Stay of Proceedings, September 5, 2025. The Revised Cash Flow Forecast is attached as **Appendix "B".**

18. The Monitor has worked with the Company and Resolve to review the Revised Cash Flow Forecast and further understand projected disbursements, milk production, expenditures related to animal health and modifications to operating expense assumptions based on seasonality and current information, as well as the expectation to close on a transaction in short order. The Monitor has discussed the various changes made in the Revised Cash Flow Forecast with the Company and Resolve and compared same to actual results through the date of this Fifth Report.

19. While the Revised Cash Flow Forecast projects the Company will not require additional financing for continued operations through September 5, 2025, the Monitor continues to expect a balance to be outstanding to the professionals secured by the Administration Charge as at September 5, 2025.

(a) After considering the amounts currently outstanding to the professionals whose fees are secured by the Administration Charge, the current work-in-progress of those professionals, projected payments in the Revised Cash Flow Forecast and the Monitor's estimate of professional fees required to reach Court approval of a transaction derived from the SISP, the Monitor expects approximately $175,000 to be outstanding to the professionals at September 5, 2025, before consideration of any retainers previously provided. The Monitor notes that a retainer of approximately $25,000 is held between the Monitor and its counsel, reducing total exposure under the Administration Charge.

20. A summary of the Revised Cash Flow Forecast through the proposed extension to the Stay of Proceedings of September 5, 2025, is shown below:

Summary of the Cash Flow Forecast For the Period of July 21, 2025 to September 5, 2025	
	Weeks 20-26
Operational cash receipts	484,500
Operational cash disbursements	(442,446)
Cash Flows from Operations	**42,054**
Restructuring fees	(89,250)
DIP Interest and Commitment fee	(12,000)
Cash Flows from Restructuring	**(101,250)**
Opening Cash balance	89,542
DIP Financing	-
Net Cash flow	(59,196)
Ending Cash Balance	**30,346**

21. The Revised Cash Flow Forecast has been prepared by Management using the probable and hypothetical assumptions set out therein (the "**Probable and Hypothetical Assumptions**").

22. The Monitor has reviewed the Revised Cash Flow Forecast to the standard required of a Court appointed Monitor pursuant to s. 23(1)(b) of the CCAA, including reviewing the actual expenses incurred since the date of the Initial Order and discussing same with the Company, its financial advisors and the DIP Lender. The Monitor's review of the Revised Cash Flow Forecast consisted of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by Management and Resolve. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to same were limited to evaluating whether they were consistent with the purpose of the Revised Cash Flow Forecast and the Monitor's understanding of the business. The Monitor has also reviewed the support provided by the Company and Resolve for the Probable and Hypothetical Assumptions and the preparation and presentation of the Cash Flow Forecast.

23. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

    (a) the Probable and Hypothetical Assumptions are not consistent with the purpose of the Revised Cash Flow Forecast;

    (b) as at the date of this Report, the Probable and Hypothetical Assumptions developed by the Company are not suitably supported and consistent with the Company's plans or do not provide a reasonable basis for the Revised Cash Flow Forecast; and

    (c) the Revised Cash Flow Forecast does not reflect the Probable and Hypothetical Assumptions.

24. Since the Revised Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the Probable and Hypothetical Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Revised Cash Flow Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy or completeness of any financial information presented in this Fifth Report or relied upon by the Monitor in preparing this Fifth Report.

25. The Revised Cash Flow Forecast has been prepared solely for the purposes described on the face of the Revised Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

The Monitor's Recommendation on the Stay Extension

26. The Company is seeking to extend the Stay of Proceedings through September 5, 2025, supported by the Revised Cash Flow Forecast. The proposed extension to the Stay of Proceedings is necessary to allow the Company and the Monitor time to advance the definitive transaction documents to bring the Coastal Bid for Court approval pursuant to the SISP.

27. The Monitor is supportive of the Company's request and does not believe that any parties will be materially prejudiced by the extension of the Stay of Proceedings to September 5, 2025. The Monitor understands that RBC is supportive of the Coastal Bid and moving forward expeditiously to a conclusion of these CCAA Proceedings. The Revised Cash Flow Forecast demonstrates the Company expects to have sufficient liquidity to operate during the forecast period, and the Monitor will closely review operations with the assistance of Resolve while collectively advancing to a conclusion of these CCAA Proceedings.

Good Faith and Due Diligence

28. As at the date of this Fifth Report, the Monitor:

(a) is of the view that the Company 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 Company's 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

29. For the reasons set out in this Fifth Report, the Monitor is supportive of the Company's requested relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 29th day of July, 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

SISP Directions Order

2025 01G 1510

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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

AND IN THE MATTER OF an application of Nemori Farms Ltd.

ORDER
(Directions on Sale and Investment Solicitation Process)

BEFORE THE HONOURABLE JUSTICE MACDONALD:

THIS APPLICATION made by Royal Bank of Canada (**RBC**) for directions in respect of the sale and investment solicitation process (the **SISP**) approved by this Court by Order dated 24 April 2025 was heard on 17 July 2025

ON READING the Interlocutory Application dated 15 July 2025 and the Affidavit of Stéphane Ménard sworn 15 July 2025

AND ON HEARING counsel for RBC, counsel for the Company, counsel for the Monitor, and such other counsel as were present, no one appearing for any other person although duly served as appears from the affidavit of service of Michael Hrabowsky sworn 15 July 2025, as filed with this Court

IT IS HEREBY ORDERED AS FOLLOWS:

1. The time for service of the Interlocutory Application is hereby abridged and validated, so that the Interlocutory Application is properly returnable today and further service of the Interlocutory Application is dispensed with,

Filed/Classé July 17th, 2025

2. In this Order, capitalized terms not otherwise defined have the same meaning assigned to them in the First Amended and Restated Initial Order dated 24 April 2025 or the Sale and Investment Solicitation Process Order dated 24 April 2025 (the **SISP Order**).

3. In implementing and carrying out the SISP, and notwithstanding paragraphs 14, 19, 56, and 61 of the SISP Bidding Procedures attached to the SISP Order:

3.1. The Monitor shall disclose to RBC and the Company the details of the three highest Qualified Bids received in the SISP, including without limitation the identity of those Potential Bidders, the proposed purchase price, and any material conditions identified by those Potential Bidders, and provide RBC and the Company with copies of all material documentation containing the terms of such Qualified Bids provided that RBC and the Company shall keep such information confidential subject only to further Order of the Court.

3.2. The Monitor shall include RBC in, and consult with RBC and the Company in respect of, any negotiations with the Potential Bidders identified above with respect to matters relating to the SISP and those Qualified Bids.

4. The Company and its management, as applicable:

4.1. shall be deemed as having withdrawn from participating in the SISP as a Potential Bidder;

4.2. shall not seek any relief in these proceedings inconsistent with completing a transaction under the SISP; and

4.3. will comply with the Company's obligations under the SISP.

5. Nothing in this Order restricts the right of the Company, any creditor, or guarantor to seek any relief relating to the entitlement to or distribution of any sale proceeds derived from a transaction under the SISP.

6. Any interested party may apply to this Court to vary, amend or supplement, or for advice and directions on the implementation of, this Order.

7. This Order and all of its provisions are effective as of 12:01am Newfoundland Time on the date of this Order.

DATED at St John's, Newfoundland and Labrador, this 17 day of July, 2025.

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COURT OFFICER

Appendix B

Revised Cash Flow Forecast until September 28, 2025

Nemori Farms Ltd.
Cash Flow Projection - Prepared by Management
July 21, 2025 to September 28, 2025

	Notes	Week 1-19 Actual	Week 20 Projected	Week 21 Projected	Week 22 Projected	Week 23 Projected	Week 24 Projected	Week 25 Projected	Week 26 Projected	Week 27 Projected	Week 28 Projected	Week 29 Projected	Week 20-29 Totals
		14/Jul/25 20/Jul/25	21/Jul/25 27/Jul/25	28/Jul/25 3/Aug/25	4/Aug/25 10/Aug/25	11/Aug/25 17/Aug/25	18/Aug/25 24/Aug/25	25/Aug/25 31/Aug/25	1/Sep/25 7/Sep/25	8/Sep/25 14/Sep/25	15/Sep/25 21/Sep/25	22/Sep/25 28/Sep/25	
Projected Receipts:													
Milk Revenue (Advance)	[1]	339,000		84,750					84,750				508,500
Milk Revenue (Remainder)	[2]	1,264,243				290,000			–		290,000		1,844,243
HST	[3]	–											–
Provincial Agrifood Assistance Program	[4]	–			25,000								25,000
Total Projected Receipts		**1,603,243**	**–**	**84,750**	**25,000**	**290,000**	**–**	**–**	**84,750**	**–**	**290,000**	**–**	**2,377,743**
Projected Disbursements:													
Feed	[5]	595,212		23,500		18,000	46,600		41,000		46,600	18,000	788,912
Payroll deductions		74,216		22,000					26,000			26,000	148,216
Payroll		265,260	13,685	13,685	13,685	13,685	13,685	13,685	13,685	13,685	13,685	13,685	402,110
Employee RRSP		–											–
Crop supplies	[6]	240,019											240,019
Fuel	[7]	62,546	10,000				10,000				10,000		92,546
Cell phone		3,099			500				500				4,099
Cow purchase (net)		72,380											72,380
Blue cross		3,127				1,551				1,551			6,229
Utilities		32,060	12,000				12,000				12,000		68,060
Repairs, maintenance and veterinary care		407,071	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	507,071
Accounting and administrative	[8]	41,671	6,000				6,000				6,000		59,671
Insurance		45,192	10,000				10,000				10,000		75,192
Operating leases		14,920	7,000	–			7,000		7,000				35,920
Critical accounts payable		1,886											1,886
Operating disbursements		**1,858,660**	**68,685**	**69,185**	**24,185**	**43,236**	**115,285**	**23,685**	**98,185**	**25,236**	**108,285**	**67,685**	**2,502,312**
Net operating cash flows		**(255,417)**	**(68,685)**	**15,565**	**815**	**246,764**	**(115,285)**	**(23,685)**	**(13,435)**	**(25,236)**	**181,715**	**(67,685)**	**(124,569)**
Operational Improvement													
SCAP program		(75,490)	–	–									(75,490)
Net cash flows prior to professional fees		**(330,907)**	**(68,685)**	**15,565**	**815**	**246,764**	**(115,285)**	**(23,685)**	**(13,435)**	**(25,236)**	**181,715**	**(67,685)**	**(200,059)**
Financing and Professional fees													
DIP fees and interest		29,974	6,000		–	–	6,000	–	–	–	6,000		47,974
Monitor		87,450				50,000					30,000		167,450
Monitor legal counsel		58,963				10,000					30,000		98,963
Appraisal		36,651											36,651
Financial advisor		36,800		6,250		23,000					6,250		72,300
Company legal		180,146									30,000		210,146
Total Professional fees		429,983	6,000	6,250	–	83,000	6,000	–	–	–	102,250	–	633,483
Net cash flows		(760,890)	(74,685)	9,315	815	163,764	(121,285)	(23,685)	(13,435)	(25,236)	79,465	(67,685)	(833,542)
Opening Cash Position		25,432	89,542	14,857	24,172	24,987	188,751	67,466	43,781	30,346	5,110	84,575	25,432
DIP loan proceeds		825,000											825,000
Closing Cash Position		**89,542**	**14,857**	**24,172**	**24,987**	**188,751**	**67,466**	**43,781**	**30,346**	**5,110**	**84,575**	**16,890**	**16,890**

Purpose and Disclaimer

Purpose:

This statement of projected cash flow ("Cash Flow Forecast") has been prepared for Nemori Farms Ltd. ("Company") in accordance with s. 23(1)(b) of the Companies Creditors' Arrangement Act ("CCAA") for the period of July 21, 2025 to September 28, 2025 ("Cash Flow Period"). The Company has prepared the Cash Flow Forecast based on probable and hypothetical assumptions that reflect the Company's continued operations, and its understanding of the expected restructuring activities. Management is of the opinion that, as at the date of filing the Cash Flow Forecast, the assumptions used to develop the Cash Flow Forecast represent the most probable set of economic conditions facing the Company and that the assumptions used provide a reasonable basis for and are consistent with the purpose of this Cash Flow Forecast.

Disclaimer:

Management is of the view that the hypothetical assumptions set out in the Notes below are reasonable and consistent with the purpose of the Cash Flow Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the Cash Flow Forecast. All material assumptions are disclosed in the Notes below. Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. The Cash Flow Forecast has been prepared solely for the purpose described above, using a set of hypothetical and probable assumptions set out in Notes below. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Notes to Cash Flow Forecast

[1] Fixed payment at the start of every month for previous month production ("Advance").
[2] Projected monthly sales net of Advance, freight, levies and other charges. Cattle health and improved feed stock and quality attributed to increase in monthly milk revenue
[4] The Company has outstanding post-filing returns of $35K outstanding and another $35k in progress to which the Monitor expects will be received, those balances have not yet been paid by the CRA. The Monitor does not yet have an insight into when they will be received.
[3] Provincial government program that supports projects that enhance food self-sufficiency, increase agricultural growth, or increase secondary processing of food products. The Company is working with Province on how the funds will be disbursed.
[5] Based on management's estimates, adjusted for actual feed costs to date and inventory on site
[6] Bulk of costs already incurred as planting of crops occurs in spring.
[7] Fuel costs reduced as much of expenditure is linked to planting crops in spring.
[8] Payment to contracted accountant resources, bank fees and miscellaneous office expenses.

As of July 29, 2025

Signed by:
CD472FCEB72E426...

Sheldon Cameron
Co-owner, Secretary-Treasurer, Director
Nemori Farms Ltd.