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

FOURTH REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED IN ITS CAPACITY AS COURT-APPOINTED MONITOR

January 26, 2026

Doane Grant Thornton

Grant Thornton Limited,
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INTRODUCTION

1. On May 20, 2025, Arbat Capital Group Ltd. (the "**Applicant**" or "**Arbat Capital**") made an application to the Superior Court of Justice (Commercial List) in Ontario ("**Court**") under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**") to commence proceedings pursuant to the CCAA (the "**CCAA Application**"), in respect of The Second Cup Coffee Company Inc. (the "**Debtor**" or "**Second Cup**").

2. In support of the CCAA Application, Grant Thornton Limited ("**GTL**"), at that time the proposed monitor, provided further background information and clarification regarding the CCAA Application through a pre-filing report of the proposed monitor dated May 21, 2025 (the "**Pre-Filing Report**").

3. On May 22, 2025, Justice Cavanagh heard various submissions from counsel present and granted an initial order pursuant to the CCAA (the "**Initial Order**"). Pursuant to the Initial Order, GTL was appointed as monitor of Second Cup (in such capacity, the "**Monitor**"). Since the Debtor had no chief financial officer and the director of finance resigned shortly before the CCAA filing, the Applicant sought the appointment of a chief restructuring officer. Pursuant to the Initial Order, Maxim Lojevsky, the current chairman of the board of directors of Second Cup (the "**Board**"), was appointed as the Chief Restructuring Officer over and in respect of the Debtor (in such capacity, the "**CRO**").

4. The Initial Order, among other things:

   (a) declared that Second Cup is a company to which the CCAA applies;

   (b) ordered that the Debtor shall remain in possession and control of its Property (as defined in the Initial Order) and continue to operate its Business (as defined in the Initial Order) in the ordinary course;

   (c) ordered that until and including June 1, 2025 or such later date as the 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 Monitor and Second Cup, or with leave of the 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 the Court;

(d) granted a charge on the Property of the Debtor, not to exceed an aggregate amount of $275,000, as security for the payment of the professional fees and disbursements of the Monitor and its counsel, the CRO and counsel to the Applicant (the "**Administration Charge**");

(e) authorized and empowered the Debtor to obtain and borrow under the debtor-in-possession term sheet (the "**DIP Facility Term Sheet**") between the Debtor, as the borrower, and the Applicant, as lender (in such capacity, the "**DIP Lender**"). The DIP Facility Term Sheet provided for borrowings until the comeback hearing (the "**Comeback Hearing**") not to exceed $200,000 plus interest, fees, and expenses, unless permitted by further Order of the Court, in order to finance the Debtor's working capital requirements, the restructuring process, other general corporate purposes, accrued interest, expenses, and capital expenditures, all in accordance with the terms of the DIP Facility Term Sheet (the "**DIP Facility**");

(f) granted the DIP Lender a priority charge on the Property of Second Cup (the "**DIP Facility Charge**"), 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 the Initial Order was made;

(g) granted a charge on the Property of the Debtor not to exceed an aggregate amount of $100,000, in favour of the directors and officers of Second Cup (the "**Directors' Charge**"); and

(h) set down the Comeback Hearing for May 29, 2025.

5. At the Comeback Hearing on May 29, 2025, the Court granted an amended and restated Initial Order (the "**ARIO**"), which among other things:

(a) extended the Stay Period to August 28, 2025;

(b) approved certain pre-filing payments to vendors that were deemed critical to Second Cup's ongoing business operation (the "**Critical Suppliers**");

(c) approved an amended and restated DIP Facility Term Sheet (the "**Amended DIP Term Sheet**"), which among other things, increased the amounts which may be borrowed by the Debtor under the DIP Facility Term Sheet to $900,000, which, together with the other obligations of the Debtor under the DIP Facility Term Sheet are to be secured by the DIP Lender's Charge;

(d) increased the amount of the Administration Charge to $500,000; and

(e) increased the amount of the Directors' Charge to $220,000, in light of there being no Directors' and Officers' liability insurance being in place.

6. At the Comeback Hearing, the Court also granted a claims identification order (the "**Claims Identification Order**"), approving the process to identify claims which may be outstanding in respect of the Debtor or the Board (the "**Claims Identification Process**"). Copies of the ARIO and the Claims Identification Order are attached hereto as **Appendix "A"** and **Appendix "B"**, respectively.

7. On August 21, 2025 the Applicant brought a motion (the "**August 21 Motion**") for an order (the "**SISP Order**") to approve, among other things, a sale and investment solicitation process ("**SISP**") and the Stalking Horse Subscription Agreement between Arbat Capital and Second Cup dated August 15, 2025 (the "**Stalking Horse Agreement**").

8. Following the August 21 Motion, the Court approved and granted the SISP Order as well as an order, which among other things:

(a) extended the Stay Period to November 7, 2025; and

(b) approved an amendment to the Amended DIP Term Sheet (the "**DIP Amendment**"), to among other things, increase the amounts which may be borrowed by the Debtor under the Amended DIP Term Sheet to $1,500,000, which together with the other obligations of the Debtor under the Amended DIP Term Sheet and the DIP Amendment would be secured by the DIP Lender's Charge.

9. Copies of the SISP Order including the SISP and the Ancillary Order dated August 21, 2025, are attached hereto as **Appendix "C"** and **Appendix "D"**, respectively.

10. On October 3, 2025, the Monitor administered an auction in accordance with the SISP (the "**Auction**"). Upon conclusion of the bidding, the bid submitted by Arbat Capital (in its capacity as the Stalking Horse Bidder), represented the highest consideration received and the strongest overall bid. Accordingly, Arbat Capital was selected as the successful bidder (the "**Successful Bidder**"), and the resulting amendments to the Stalking Horse Agreement (the "**Amended Purchase Agreement**"), together with the reverse vesting transaction (the "**Arbat Transaction**") contemplated therein, were selected by the Monitor pursuant to the SISP as the winning bid. A detailed description of the process of selecting the Successful Bidder and the Arbat Transaction can be found in the Monitor's Third

Report to Court dated October 20, 2025 ("**Third Report**"). Copies of the Third Report and the Supplement to the Third Report dated October 29, 2025 (the "**Supplemental Third Report**") without appendices are attached hereto as **Appendix "E"** and **Appendix "F"** respectively.

11. On October 30, 2025, the Monitor brought a motion (the "**October 30 Motion**") for an order (the "**Approval and Vesting Order**") approving the Arbat Transaction which, on closing, will have the effect of replacing Second Cup in these CCAA Proceedings with 1001400034 Ontario Inc. ("**ResidualCo**") as well as providing the Monitor with enhanced powers to close the Arbat Transaction on behalf of the Debtor and enhanced powers over ResidualCo, upon its closing.

12. Following the October 30 Motion, the Court approved and granted the Approval and Vesting Order as well as an Ancillary Order, which among other things:

    (a) extended the Stay Period to January 31, 2026; and

    (b) approved the professional fees and disbursements of the Monitor and its counsel from the commencement of the CCAA Proceedings through September 30, 2025.

13. Copies of the Approval and Vesting Order as well as the Ancillary Order dated October 30, 2025, are attached hereto as **Appendix "G"** and **Appendix "H"**, respectively.

14. This fourth report of the Monitor (the "**Fourth Report**") and other information in respect of these CCAA proceedings (the "**CCAA Proceedings**") are posted on the Monitor's case website at www.DoaneGrantThornton.ca/SecondCup.

PURPOSE OF THE FOURTH REPORT

15. This Fourth Report is intended to provide the Court with the following:

    (a) an update on the activities of the Monitor from the date of the Third Report and the Supplemental Third Report;

    (b) an update on the Claims Identification Process administered by the Monitor pursuant to the Claims Identification Order;

    (c) an update on the Arbat Transaction and the status of its closing;

    (d) the Monitor's views on the Applicant's motion for an order by the Court (the "**CCAA Termination Order**"), which includes:

i. approving a distribution to creditors including the Monitor's proposed methodology thereto (the "**Proposed Distribution Methodology**") including the Restructuring Claim Holdback (as defined below);

ii. sealing of Confidential Appendices A through E, given the commercially sensitive information contained within;

iii. extending the Stay Period to the CCAA Termination Time (as defined below);

iv. terminating these CCAA Proceedings and discharging the Monitor and granting certain releases in favour of the Monitor and its counsel upon the Monitor completing the Remaining Activities (as defined below) and on execution and filing of a Monitor's termination certificate ("**Monitor's Termination Certificate**");

v. terminating the Court-ordered DIP Lender's Charge, Administration Charge, and Directors' Charge upon the termination of these CCAA Proceedings;

vi. approving the Supplemental Third Report and the Fourth Report, as well as the activities of the Monitor and its counsel as reported therein;

vii. approving the fees and disbursements of the Monitor and its counsel from October 1, 2025 through December 31, 2025 and the estimated Final Fees (as defined below); and

viii. approving the Bankruptcy Reserve (as defined below).

(e) an update on the Debtor's actual cash flows through January 24, 2026, compared to the cash flow forecast filed in the Third Report; and

(f) the Monitor's views on the Debtor's revised cash flow forecast for the period of January 25, 2026, to February 28, 2026, and the Monitor's extended ResidualCo Cash Flow for the period of March 1, 2026, to the CCAA Termination Time.

TERMS OF REFERENCE

16. In preparing this Fourth Report, the Monitor has been provided with, and has relied upon unaudited internal financial statements, certain other financial information and financial projections of the Debtor, discussions with the management and shareholders of the Debtor ("**Management**"), discussion with the Applicant's counsel, and financial

information provided by other stakeholders (collectively, the "**Information**"). While the Monitor reviewed the Information for reasonableness and believes that the information herein provides a fair summary of the transactions as reflected in the documents of the Debtor, 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.

17. Some of the information used in preparing this Fourth Report consists of financial projections, including cash flow projections. The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Debtor's actual results may vary from the cash flow projections, even if the hypothetical and probable assumptions contained therein ("**Probable and Hypothetical Assumptions**") materialize, and the variations could be significant.

18. Over the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Debtor and its Management, within the context in which such 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 has requested that Management bring to its attention any significant matters which were not addressed during the Monitor's specific inquiries. Accordingly, this Fourth Report is based solely on the information (financial or otherwise) made available to the Monitor by the Applicant, the Debtor, Management, the CRO and respective counsellors involved in these CCAA Proceedings.

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

20. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Affidavits of Alexey Golubovich, sworn May 19, 2025, May 27, 2025, August 15, 2025, and January 26, 2026 (the "**Golubovich Affidavit**"), the Pre-Filing Report, the Monitor's first report to Court dated May 28, 2025, the Monitor's second report to Court dated August 18, 2025 (the "**Second Report**"), Third Report, and the Supplemental Third Report.

ACTIVITIES OF THE MONITOR

21. Since the date of the Third Report and the Supplemental Third Report the Monitor has amongst other things:

(a) maintained the Monitor's case website (www.DoaneGrantThornton.ca/SecondCup) and updated it accordingly. Since the Supplemental Third Report, the following documents have been added to the case website:

i. the Applicant's Motion Record returnable on October 30, 2025;

ii. the Third Report dated October 20, 2025;

iii. the Supplemental Third Report dated October 29, 2025;

iv. the Endorsement of Justice Myers dated October 30, 2025;

v. the Endorsement of Justice Myers dated October 31, 2025;

vi. the Ancillary Order dated October 30, 2025;

vii. the Approval and Vesting Order dated October 30, 2025;

viii. an updated E-Service List as at October 20, 2025.

(b) maintained frequent contact with the CRO who continues to have discussions with the suppliers and franchise partners that were identified to be key to the ongoing operations of Second Cup to ensure there is no interruption to the franchisee businesses. The Monitor has also continued to have several meetings with the CRO and Management, including, amongst other things, financial resources required, funding requirements, timelines for supplying products to the franchise partners, reporting requirements, the cash flow forecasting, operational changes, and outstanding claims pursuant to the Claims Identification Process;

(c) assisted the Debtor and CRO in addressing the needs of the franchise partners;

(d) continued to assist the Debtor in its internal transition following the resignation of Second Cup's Chief Executive Officer (as described in the Third Report);

(e) assisted the Debtor with the onboarding of a new Chief Operating Officer, external accountant, and an international contractor;

(f) continued to maintain communication with stakeholders and provided updates on these CCAA Proceedings;

(g) corresponded with creditors pursuant to the Claim Identification Process to resolve outstanding claims;

(h) worked with Canada Revenue Agency and the Debtor to complete a payroll trust account examination;

(i) took the necessary steps to work towards closing the Arbat Transaction; and

(j) prepared this Fourth Report.

CLAIMS IDENTIFICATION PROCESS AND DISTRIBUTION METHODOLOGY

22. On May 29, 2025, the Court granted the Claims Identification Order, approving the process to identify and quantify claims against Second Cup. Undefined capitalized terms in this section shall have the meanings ascribed to them in the Claims Identification Order.

23. As reported previously, by the Claims Bar Date (being June 30, 2025), the Monitor had received the following claims:

Claim Type	Number of Claims Received	Quantum of Claims received (CAD)
Pre-Filing Claims for which the Monitor received a Proof of Claim	15	$36,844,858
Restructuring Claims	0	$0
D&O Claims	2	$25,052,115
Total Claims Received	**17**	**$36,896,973**

Note:
1. One Pre-Filing Claim was received after the Claims Bar Date.
2. A priority claim from Canada Revenue Agency is included as a Pre-Filing Claim. All other claims are ordinary unsecured claims.
3. Both D&O Claims are also against Second Cup.
4. D&O Claims include a litigation claim of $25,000,000 from a former shareholder. The claimant also filed an unsecured claim against the Debtor.

24. A total of seventeen (17) Claims were submitted to the Monitor by sixteen (16) different Claimants. Each Claim received was reviewed and adjudicated by the Monitor in accordance with the Claims Identification Order.

<u>Monitor's Adjudication of Claims</u>

25. Following a detailed review of the Claims received by the Monitor and its counsel, pursuant to paragraph 25 of the Claims Identification Order, the Monitor issued a Notice of Revision or Disallowance (a "**NORD**") in respect of five (5) Claims (the "**Revised or Disallowed Claims**"). One (1) of the NORDs issued provided a revision to a Claim, while the other four (4) NORDs were disallowed in their entirety. All other Claims were accepted by the Monitor, as filed.

26. The Monitor received four (4) notices of dispute on the Monitor's determination of their Claims (the "**Notices of Dispute**"). The Successful Bidder has advised that three (3) of these claims will be retained as liabilities under the Arbat Transaction. One Notice of Dispute was formally withdrawn on January 26, 2025. Accordingly, no distribution is to be made to in respect of those three (3) claims. The Monitor has consensually agreed to resolve the fourth claim, and the parties have agreed on an amount payable to this claimant (the "**Settled Amount**").

27. The final Claimant who received the NORD revising their Claim did not file a Notice of Dispute, and the determination by the Monitor in the applicable NORD was therefore deemed to be accepted by the Claimant.

Canada Revenue Agency

28. As described in the Third Report, the Monitor determined that the claim received from the Canada Revenue Agency (the "**CRA**") in respect of deemed trust amounts for deductions at source withheld by Second Cup pre-filing (inclusive of interest and penalties) (the "**CRA Claim**"), had a priority for the deemed trust portion that ranked in priority to the DIP Lender and Bank of Montreal. The Monitor's views remain consistent with what was outlined in paragraphs 22-23 of the Third Report. The deemed trust portion of the CRA Claim will be paid as the "Priority Payment" and the balance of the CRA Claim will be paid along with other unsecured Claims as described below and as provided for in the Approval and Vesting Order and the Proposed Distribution Schedule (as defined below).

<u>Distribution to Creditors</u>

29. To understand the expected impact of the Arbat Transaction on each of Second Cup's creditors, the Monitor has updated the illustrative analysis provided in the Third Report (the "**Proposed Transaction Waterfall**"). This analysis demonstrates that the Arbat

Transaction is expected to result in a distribution to unsecured creditors. The updated Proposed Transaction Waterfall has been attached hereto as **Confidential Appendix "A"**.

30. As described above, the Monitor has reviewed and resolved all Claims received to date. The Monitor has prepared a proposed distribution schedule and the Proposed Distribution Methodology (the "**Proposed Distribution Schedule**"). The Proposed Distribution Schedule has been attached hereto as **Confidential Appendix "B".**

Arbat Capital, Svetlana Borsova, and Park Investors LLC Claims

31. As described in the Golubovich Affidavit and below, Arbat Capital, Svetlana Borsova, and Park Investors LLC, who comprise the purchaser group under the Arbat Transaction and who collectively represent the substantial majority of the total accepted Claims has requested that their Claims be offset to the purchase price that will need to be funded at Closing. Accordingly, the amount in which those parties would receive as a distribution on their unsecured debt Claims will be deducted from the amount payable to the Monitor when the Arbat Transaction closes.

Other Unsecured Creditors

32. As described above, all claims have been resolved. Subject to the Restructuring Claim Holdback (described below) all other unsecured creditors will receive a pro rata share of the remaining funds available for distribution in the ordinary course of distribution.

Restructuring Claim Holdback

33. The Monitor notes that no restructuring claims have been received as of the date of this Fourth Report. The Monitor has been advised that two restructuring claims will be filed prior to Closing in connection with claims which arose after the commencement of the CCAA Proceedings and has included a holdback for these claims in the Proposed Distribution Schedule (the "**Restructuring Claim Holdback**"). Pursuant to the Claims Identification Order, restructuring claims are not subject to the same Claims Bar Date as the debt claims. In the event that no restructuring claims are received by the 15th day after Closing, the Restructuring Claim Holdback will be redistributed on a pro rata basis to the creditors listed above.

Administrative Wind-Down Amount and Other Professional Fees

34. The Monitor further notes that any funds that have been set aside and not used to satisfy the Administration Charge, the Administrative Wind-down Amount, or the costs incurred in preparing for the January 29, 2026 motion, shall be redistributed on a pro rata basis to the creditors listed above and in accordance with the Proposed Distribution Methodology.

35. Collectively, paragraphs 22 to 34 are referred to as the "Proposed Distribution Methodology". The Monitor is of the view that the Proposed Distribution Methodology is fair and allows for distributions in an efficient manner. Accordingly, the Applicant is seeking the approval of this Court of the Proposed Distribution Methodology as described herein.

THE ARBAT TRANSACTION

36. The Arbat Transaction contemplates the purchase of Second Cup as a going concern by the Successful Bidder, who is expected to continue investing in and operating its business. The Monitor provided a detailed description of the process of selecting the Successful Bidder and the Arbat Transaction in the Third Report.

37. Undefined terms in this section shall have the meanings ascribed to them in the SISP, the SISP Order, the Amended Purchase Agreement, and the Approval and Vesting Order.

<u>Consideration Received Pursuant to Amended Purchase Agreement</u>

38. As described in the Third Report, the consideration included in the purchase price ("**Purchase Price**") pursuant to the Arbat Transaction, the Amended Purchase Agreement, and the terms of the Approval and Vesting Order consists of:

   (a) the balance of the DIP Facility, plus interest accrued through to and including the date of closing, and any and all fees and expenses associated therewith (the "**DIP Indebtedness**") will be a Retained Liability;

   (b) the secured indebtedness, including principal and interest accrued through to and including the date of closing (the "**Secured Indebtedness**") will be a Retained Liability; and

   (c) a closing cash payment, includes the Over-Bid Top-Up that arose from the Auction paid to the Monitor to be used to fund (i) the Priority Payments; (ii) amounts owing as secured by the Administration Charge (iii) the costs incurred in connection with the administration and wind-down of ResidualCo, and (iv) distributions of the remaining portion in respect of accepted Claims pursuant to the Claims Identification Order.

<u>Mechanics of Closing</u>

39. Pursuant to the Amended Purchase Agreement the initial target closing date was November 10, 2025, and the outside closing date was November 14, 2025.

40. In November 2025 the Purchaser advised the Monitor that they required more time to close the Arbat Transaction.

41. The Monitor has been advised that the extension of the closing date is due to delays and complexities in sending funds from foreign jurisdictions. Further, as described above, since the Arbat Capital, Svetlana Borsova and Park Investors LLC, hold the significant majority of Claims and the vast majority of distributions would be repaid to these parties they requested that closing be delayed until the Monitor had concluded its resolution of the Claims and the final amount payable to the Monitor on closing could be finalized.

42. As of the date of this Fourth Report the Arbat Transaction has not closed and pursuant to the Amended Purchase Agreement, the Monitor and Successful Bidder have agreed in writing to extend the outside closing dated to February 28, 2026 (“**Closing**”).

43. The Proposed Transaction Waterfall demonstrates the anticipated flow of funds resulting from the Arbat Transaction and how the Purchase Price is to be allocated to quantify the funds to be remitted by the Successful Bidder to the Monitor on Closing (the “**Closing Payment**”). The net Closing Payment to the Monitor is calculated in the Proposed Transaction Waterfall by deducting the Secured Indebtedness, the DIP Indebtedness, professional fees and a set off of the calculated distribution to Arbat Capital, Svetlana Borsova, and Park Investors LLC, from the Purchase Price. The Monitor is of the view that the requested relief is reasonable, will reduce further costs that otherwise would be spent on professional fees and will expedite the termination of these CCAA Proceedings.

44. The Proposed Transaction Waterfall allocates the Closing Payment towards the following:

(a) the Priority Payment in respect of the deemed trust portion of the CRA Claim;

(b) any amounts owing as secured by the Administration Charge;

(c) the anticipated costs to be incurred in connection with the administration and wind-down of ResidualCo (the Administrative Wind-down Amount, as defined in the Amended Purchase Agreement);

(d) the estimate of the professional fees incurred by the Monitor and its counsel from January 1, 2026, until the CCAA Termination Time, as described below;

(e) the Settled Amount; and

(f) any remaining funds to be distributed in accordance with the Proposed Distribution Methodology.

The Closing Payment

45. The Monitor has been advised by counsel to Arbat Capital, Miller Thomson LLP, that part of the Closing Payment has already been delivered to them in escrow and the balance will be delivered prior to the motion returnable on January 29, 2026. The Closing Payment will then be remitted to the Monitor on Closing.

SEALING ORDER

46. The Applicant is requesting to seal the Confidential Appendices to this Fourth Report, until the earlier of the closing of the Arbat Transaction or further order of the Court.

47. The Applicant's request for this relief is reasonable and necessary in the circumstances for the following reasons:

(a) the information in the Confidential Appendices includes the Purchase Price under the Amended Purchase Agreement;

(b) the public disclosure of the redacted information risks negatively impacting recoveries under further sale efforts if the Arbat Transaction and Back-Up Bid does not close. Sealing this information is beneficial and necessary to maximize and preserve the value of the Property and the Business of the Debtor and ensures the integrity of the SISP is maintained;

(c) the proposed sealing relief is limited to the earlier of the Closing or further order of the Court, which is consistent with past sealing relief granted by this Court in proceedings of this nature; and

(d) the benefit of sealing the redacted information outweighs the deleterious effects of not doing so in the circumstances.

CASH FLOW FORECAST AND THE DEBTORS' RECEIPTS AND DISBURSEMENTS

48. As reported in the Third Report, the Debtor and the CRO, with assistance from the Monitor, prepared an updated version of the Revised Cash Flow (the "**October 20 Cash Flow**") The October 20 Cash Flow was prepared under the same Probable and Hypothetical Assumptions as the Revised Cash Flow and that the Debtor's franchise operations and collections would continue in the ordinary course.

49. The Monitor also prepared a cash flow forecast that illustrated the anticipated cash flow requirements post-Closing (the "**ResidualCo Cash Flow**"). The ResidualCo Cash Flow illustrated the Purchase Price to be received by the Monitor on Closing, distributions to priority claimants, secured creditors, allowed claimants positively adjudicated by the Monitor in the Claims Process, and professional fees to complete the CCAA Proceedings. Since the ResidualCo Cash Flow included the Purchase Price; it was sealed as a confidential appendix to the Third Report. The ResidualCo Cash Flow demonstrated that there was sufficient cash flow up to end of the existing Stay Period, being January 31, 2026.

50. As a result of the Arbat Transaction not closing on the originally anticipated timeline, the Monitor continued to review the cash flows of the Debtor beyond the period of the October 20 Cash Flow and into the period covered by the ResidualCo Cash Flow (the "**Fourth Report Period**").

51. The following table summarizes the Debtor's receipts and disbursements over the first 25 weeks of the October 20 Cash Flow Period (up to the week ending November 8, 2025), along with variances compared to Week 22 to Week 25 of the October 20 Cash Flow included with the Third Report:

The Second Cup Coffee Company Inc. Budget to Actual - Variance Report For the Period Ending November 8, 2025 CAD $000	Week 1-21 (Actual) + Week 22-25 (Forecast)	Week 1-25 (Actual)	Week 1-25 (Variance)
Cash Receipts			
Franchise Collections	147,342	211,974	64,632
A/R Collections	145,407	146,696	1,289
Miscellaneous Receipts	2,140	1,998	(141)
Total Cash Receipts	**294,889**	**360,668**	**65,779**
Cash Disbursements			
Operational Stability Costs	103,079	104,681	1,602
Labour	331,796	337,477	5,682
Leases	63,282	60,470	(2,812)
Operational	342,773	341,509	(1,263)
Total Cash Disbursements	**840,929**	**844,138**	**3,209**
Total Financing Disbursements	**25,472**	**25,445**	**(27)**
Total Professional Fees	**928,998**	**696,185**	**(232,812)**
Total Cash Disbursements	**1,795,399**	**1,565,768**	**(229,631)**
Net Cash Flows	**(1,500,511)**	**(1,205,100)**	**295,410**
Cash from Interim Financing			
DIP Financing	1,500,000	1,457,354	(42,646)
Opening Cash Balance	1,432	1,432	-
Closing Cash Balance	**921**	**253,685**	**252,764**

52. The following table summarizes the Debtor's receipts and disbursements over the 11-week period from November 9, 2025, to January 24, 2026 (as this cash flow period was beyond the range of the October 20 Cash Flow, there are no budgeted results to compare them to):

The Second Cup Coffee Company Inc. Summary of Actual Results For the Period Ending January 24, 2026 CAD $000	Week 26-36 (Actual)	TOTAL Week 1-36 (Actual)
Cash Receipts		
Franchise Collections	341,655	553,628
Supply Purchases	55,680	55,680
A/R Collections	71,333	218,029
Miscellaneous Receipts	1,181	3,179
Total Cash Receipts	**469,848**	**830,516**
Cash Disbursements		
Operational Stability Costs	-	104,681
Labour	138,358	475,835
Leases	18,402	78,872
Operational	130,622	472,131
Total Cash Disbursements	**287,382**	**1,131,519**
Total Financing Disbursements	**8,546**	**33,991**
Total Professional Fees	**250,921**	**947,106**
Total Cash Disbursements	**546,848**	**2,112,616**
Net Cash Flows	**(77,000)**	**(1,282,100)**
Cash from Interim Financing		
DIP Financing	52,582	1,509,936
Opening Cash Balance	253,685	1,432
Closing Cash Balance	**229,268**	**229,268**

53. The following information details the Debtor's actual receipts and disbursements, along with the notable variances from the October Cash Flow over the course of the four-week period from Week 22 to Week 25 of Fourth Report Period, as well as general commentary on the results from Week 26 to Week 36 (within the period of the ResidualCo Cash Flow) of the Fourth Report Period:

(a) DIP Financing – The receipt of DIP Financing continued to be delayed over the course of the Fourth Report Period. The Monitor notes that the final installment towards the DIP Financing was received on January 15, 2026 (Week 35). As discussed in previous reports, the delays in receiving the DIP Financing contributed to several of the variance items throughout previous cash flow periods of the CCAA Proceedings. As described in the Second Report and Third Report, one of the primary drivers for the delay in the receipt of the DIP Financing was that the DIP Lender's bank account is in Cyprus, and as a result, the wire transfers took several weeks to be received in the Monitor's trust account. As of the date of this Fourth Report, the DIP Facility has been fully drawn upon.

(b) Franchise and Accounts Receivable Collections – Accounts receivable arrears collections were consistent with what was projected in the October 20 Cash Flow. Due to certain franchise partners experiencing banking delays, an outstanding balance on pre-filing accounts receivable remains. The Debtor is of the view that certain arrear balances are still collectable. Franchise collections on post filing revenue has continued to improve dramatically since the payments to Critical Suppliers and new purchase orders are being made. Second Cup collected more royalty revenue in the seven-week period from Week 26 to Week 32 than the previous 25 weeks combined. The primary drivers of the increase in collections were that the purchase orders for critical supplies have now been fulfilled, and goods have been delivered, as well as increased operational stability following the selection of the Successful Bidder. The Debtor anticipates that further catchup payments will be received in future weeks for post filing royalty revenue.

(c) Operational Stability Costs – Since the Third Report, a critical supplier payment of $1,602 was made to one of the Claimants to satisfy their claim in full. The Claimant in question provided certain information technology services to Second Cup that were critical to their billing process. Payment towards their Claim in full was required to affect a transition to a different service provider without interrupting the Debtor's billing cycle.

(d) Labour – Labour costs were $5,682 higher than projected over the four-week period of the October 20 Cash Flow due to the timing of source deduction and contractor payments. Over the Fourth Report Period as a whole, labour costs were disproportionately higher due to the hiring a new COO in November, the hiring of another contract employee overseas, and the termination of two employees in December resulting in a payout of termination and vacation pay. Furthermore, in December the Debtor engaged a third-party payroll service provider to process their payroll on a go forward basis.

(e) Operating Expenses & Purchases – Operation Expenses & Purchases were generally consistent with the October 20 Cash Flow over its period. Throughout the Fourth

Report Period there were several operating expense items which were disproportionately higher than in previous periods. As a result of the increase in royalty collections, additional supply orders were placed in November and December. The Debtor also incurred costs for several international trips to grow the business and train new franchise partners. In November, Second Cup also retained a third-party bookkeeper to provide accounting assistance, to assist in filling the role of a CFO, which has been vacant since the CCAA Proceedings commenced.

(f) Financing Disbursements – Interest payments owing in respect of the BMO line of credit are maintained post-filing. The variance in financing disbursements is attributed to no interest payments being made on the DIP Facility, due to interest accruing. The accrued interest on the DIP Facility will be an Assumed Liability pursuant to the Amended Purchase Agreement and will be paid in accordance with the Proposed Transaction Waterfall.

(g) Professional Fees – As a result of the delays in receiving the DIP Financing, payment of certain professional fees were delayed to later weeks. In the absence of the forecasted collections in prior periods and the delays in receiving the DIP Financing, critical operational disbursements were prioritized over professional fees, with approval from the Monitor. The variance will be satisfied as a part of the Administration Charge, as outlined in the Proposed Transaction Waterfall.

54. Considering the above variances, the changes to Second Cup's operations, that the Arbat Transaction has not closed, and the Monitor's need to continue to report on the receipts and disbursements of the Debtor, Management and the CRO, with the assistance of the Monitor, prepared an updated cash flow forecast (the "**January 26 Cash Flow**"). The January 26 Cash Flow was prepared under the same Probable and Hypothetical Assumptions as the October 20 Cash Flow.

55. Below is a summary of the January 26 Cash Flow, reflecting the actual results from May 22, 2025, to January 24, 2026, and the projected receipts and disbursements over the now extended period from January 25, 2026, to February 28, 2026, the outside closing date of the Arbat Transaction:

January 26 Cash Flow Summary For the week beginning January 25, 2026 In CAD	Actuals Week 1-36	Forecast Week 37-41	TOTAL
Cash Receipts			
Franchise Collections	553,628	30,000	583,628
Supply Purchases	55,680	-	55,680
A/R Collections	218,029	-	218,029
Miscellaneous Receipts	3,179	300	3,479
Total Cash Receipts	**830,516**	**30,300**	**860,816**
Cash Disbursements			
Operational Stability Costs	104,681	-	104,681
Labour	475,835	68,528	544,363
Leases	78,872	16,790	95,661
Operational	472,131	11,197	483,329
Total Cash Disbursements	**1,131,519**	**96,515**	**1,228,034**
Total Financing Disbursements	**33,991**	**8,546**	**42,536**
Total Professional Fees	**947,106**	**-**	**947,106**
Total Cash Disbursements	**2,112,616**	**105,061**	**2,217,677**
Net Cash Flows	**(1,282,100)**	**(74,761)**	**(1,356,861)**
Cash from Interim Financing			
DIP Financing	1,509,936	-	1,509,936
Opening Cash Balance	1,432	229,268	1,432
Closing Cash Balance	**229,268**	**154,507**	**154,507**

56. The January 26 Cash Flow is attached hereto as **Appendix "I"**.

57. The Monitor has reviewed the January 26 Cash Flow to the standard required of a Court-appointed monitor by s. 23(1)(b) of the CCAA. The Monitor's review of the January 26 Cash Flow consisted of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by Management and the CRO of the Debtor. 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 January 26 Cash Flow. The Monitor has also reviewed the support provided by the Debtor for the Probable and Hypothetical Assumptions and the preparation and presentation of the January 26 Cash Flow. 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 January 26 Cash Flow;

(b) as at the date of this Fourth Report, the Probable and Hypothetical Assumptions developed by Management are not suitably supported and consistent with the Debtor's plans or do not provide a reasonable basis for the January 26 Cash Flow, given the Probable and Hypothetical Assumptions; or

(c) the January 26 Cash Flow does not reflect the Probable and Hypothetical Assumptions.

58. The Monitor makes the following general comments on the adjustments made to the October 20 Cash Flow and the ResidualCo Cash Flow in the preparation of the January 26 Cash Flow:

(a) the cash flow period has been amended up to February 28, 2026, to account for the currently anticipated timeline for Closing;

(b) cash flows are now forecasted beyond the original anticipated closing of November 10, 2025;

(c) collections assumptions have been adjusted to be more in line with the results of the Fourth Report Period;

(d) operating expenses and labour have been adjusted to more accurately reflect Second Cup's operational changes over the Fourth Report Period;

(e) the January 26 Cash Flow has adjusted the timing and amounts of certain other disbursements to be in line with the historical results of the Fourth Report Period;

(f) contemplates an anticipated closing date of February 28, 2026; and

(g) accounts for the impact of the Arbat Transaction and the transition of the CCAA Proceedings to ResidualCo on Closing.

59. Since the January 26 Cash Flow 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 January 26 Cash Flow 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 Fourth Report or relied upon by the Monitor in preparing this Fourth Report.

60. The January 26 Cash Flow has been prepared solely for the purposes described on the face of the January 26 Cash Flow and readers are cautioned that it may not be appropriate for other purposes.

61. Additionally, the Monitor has updated the ResidualCo Cash Flow (the "**Amended ResidualCo Cash Flow**") to be extended up to the CCAA Termination Time (as defined below). A copy of the Amended ResidualCo Cash Flow is attached hereto as **Confidential Appendix "C"**.

62. Since the Amended ResidualCo Cash Flow includes the Purchase Price; the Monitor is seeking to seal the Amended ResidualCo Cash Flow until Closing.

63. The Amended ResidualCo Cash Flow demonstrates that there remains to be sufficient cash flow up to the proposed extension of the Stay Period (as discussed below).

EXTENSION OF THE STAY PERIOD

64. The Applicant is seeking the approval of the Court that the Stay Period be extended to the CCAA Termination Time (as defined below). The Monitor is of the view that no creditor would face material prejudice should this Court grant such request.

65. The Monitor is further of the view that the extension of the Stay Period provides sufficient time to allow for the Closing and the distribution to creditors, including an allowance of time for each of the creditors to deposit their cheques. Extending the Stay Period will also avoid a further request for an additional Order extending the Stay Period further and save professional costs that would otherwise be distributed to creditors.

CCAA TERMINATION

66. Pursuant to paragraph 28 of the Approval and Vesting Order, the Monitor has been granted certain enhanced powers, including the authority to take, on behalf of ResidualCo, the necessary steps to terminate and bring these CCAA Proceedings to an end.

67. The remaining activities to be completed in the CCAA Proceedings (the "**Remaining Activities**") include:

(a) closing the Arbat Transaction;

(b) administer the distribution to creditors, in accordance with the Proposed Distribution Methodology, if approved;

(c) prepare the necessary statutory and administrative documents to assign ResidualCo into bankruptcy; and,

(d) conduct payment of approved professional fees, disbursements, and retainers.

68. Subject to the Court's approval, upon completion of the administration of the CCAA proceedings, the Monitor intends to file its Monitor's Termination Certificate, certifying that all the Remaining Activities have been completed. The proposed CCAA Termination Order also provides that upon filing of the Monitor's Termination Certificate the CCAA Proceedings will be terminated (the "**CCAA Termination Time**").

69. In the Monitor's view, upon completion of the Remaining Activities the CCAA Proceedings have accomplished the overall objectives of the restructuring proceedings commenced by Arbat Capital of identifying a buyer, completing a sale transaction, continuing the operations of Second Cup, preserving jobs, continuing franchise partner and supplier relationships, and providing a greater recovery to creditors and value to stakeholders generally than what would have been realized if the restructuring proceedings were not successful and Second Cup was liquidated.

70. The Monitor is of the view that there will be no further realizations available to ResidualCo beyond the net sale proceeds from the Arbat Transaction. The net sale proceeds will be held in trust with the Monitor once received, and subject to the approval of the Court, the Monitor, on behalf of ResidualCo, will distribute the sale proceeds as described in this Fourth Report and then assign ResidualCo into bankruptcy. Once the proceeds have been distributed in accordance with the Proposed Distribution Methodology, there will be no further benefit for the CCAA Proceedings to continue, or for the Stay Period to be extended beyond CCAA Termination Time.

71. Upon the termination of the CCAA Proceedings, all previously approved charges, including the DIP Lender's Charge, Directors' Charge, and remaining Administration Charge will no longer be required and would therefore be terminated, released and discharged. The Monitor is not aware of any outstanding amounts or claims against the Charges.

72. At the CCAA Termination Time, the Monitor will be discharged from its duties. Notwithstanding this discharge, Grant Thornton shall have the authority to complete any ancillary or incidental duties as required. The proposed CCAA Termination Order releases the Monitor and its advisors from the Released Claims up to the CCAA Termination Time. The Released Claims do not release any claims arising out of gross negligence or willful misconduct.

73. The Monitor supports the Applicant's requested relief for an order terminating the CCAA Proceedings, upon the filing of the Monitor's Termination Certificate.

BANKRUPTCY MATTERS

74. In connection with the termination of the CCAA Proceedings, the Monitor intends to cause ResidualCo to file an assignment into bankruptcy naming Grant Thornton Limited as licensed insolvency trustee of ResidualCo, pursuant to the enhanced powers provided to the Monitor in the Approval and Vesting Order.

75. Pursuant to paragraph 28 of the Approval and Vesting Order, the Monitor has been granted certain enhanced powers, including the authority to take, on behalf of ResidualCo, the necessary steps to terminate and bring these CCAA Proceedings to an end and assign ResidualCo into bankruptcy.

76. The proposed CCAA Termination Order contemplates a $25,000 reserve (the "**Bankruptcy Reserve**"), to be held by Grant Thornton Limited, to fund the costs of the bankruptcy of ResidualCo, with such reserve to be funded from the Closing Payment. It is also proposed in the CCAA Termination Order that, upon conclusion of the trustee's work in the anticipated bankruptcy, any unused portion of the Bankruptcy Reserve will be distributed to creditors with Accepted Claims on a pro rata basis. The proposed CCAA Termination Order further provides that any Claim that is an Accepted Claim in the CCAA Proceedings will continue to be a claim in the anticipated bankruptcy. This will permit the efficient administration of the bankrupt estate by eliminating the requirement for creditors to re-submit claims in the bankruptcy proceedings and for the Trustee to make determinations in respect of those claims.

FEES AND DISBURSEMENTS OF THE MONITOR AND COUNSEL

77. Pursuant to paragraph 33 of the ARIO, the Monitor and its legal counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred by the Debtor as part of the costs of the CCAA Proceedings. Pursuant to paragraph 34 of the ARIO, the Monitor and its counsel shall pass their accounts from time to time.

78. The Monitor is seeking to have its fees and disbursements up to December 31, 2025, and the fees and disbursement of its counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), up to December 31, 2025, approved by the Court. The Monitor and Cassels have maintained detailed records of their professional time and costs.

79. The total fees and disbursements for the Monitor from October 1, 2025, to December 31, 2025, amounted to $103.287.01, inclusive of HST.

80. The time spent by the Monitor is more particularly described in the Affidavit of Jason Kanji sworn January 26, 2026 (the "**Kanji Affidavit**"), which is attached hereto as **Appendix "J"** and contains copies of invoices that set out the services provided during this period.

81. The total fees and disbursements of Cassels from October 1, 2025, to December 31, 2025, 2026, amounted to $123,773.39, inclusive of HST.

82. The time spent by Cassels is more particularly described in the Affidavit of Natalie Levine sworn January 26, 2026 (the "**Levine Affidavit**"), which is attached hereto as **Appendix "K"** and contains, among other things, copies of invoices that set out the services provided during this period.

83. Additionally, the Monitor estimates that the remaining fees, disbursements and taxes, as well as that of its counsel to complete the Remaining Activities, terminate these CCAA Proceedings is estimated to be $100,000 ("**Final Fees**"). Should any portion of the Final Fees not be required, then such surplus proceeds will be made available for distribution among the creditors in order of priority pursuant to the Proposed Distribution Methodology

84. The Monitor is of the view that the fees and those of its legal counsel including the estimated Final Fees are reasonable, commensurate with the work performed to date, and reflect the complexity of these CCAA Proceedings as communicated to the Court through its reports to date and the significant amount of work undertaken by the Monitor and its legal counsel to work towards closing the Arbat Transaction, facilitate the Claims

Identification Process, and monitor the ongoing operations of Second Cup. The Monitor respectfully requests that its fees and disbursements, and those of Cassels, be approved.

CONCLUSION

85. Since the date of the Third Report, the Monitor is of the opinion that Second Cup has continued to act in good faith and with due diligence in respect of exploring various options which would enable it to restructure its business and operations.

86. As at the date of this Fourth Report, nothing has come to the attention of the Monitor that would require the Monitor to report that a material adverse change has occurred or that these CCAA Proceedings should be changed to proceedings under the *Bankruptcy and Insolvency Act*, pursuant to sections 23(1)(d)(i) and 23(1)(h) of the CCAA, respectively.

87. For the reasons set out in this Fourth Report, the Monitor recommends that this Court make the Orders granting the requested relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 26th day of January 2026.

GRANT THORNTON LIMITED,
SOLELY IN ITS CAPACITY AS COURT-APPOINTED MONITOR
OF THE SECOND CUP COFFEE COMPANY INC., AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

Per: Jason Kanji
Jason Kanji, CPA, CA, CIRP, LIT
Vice-President

Appendix “A”

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

Appendix “B”

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.

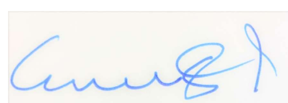
47. **THIS COURT ORDERS** that this Claims Identification Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

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

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

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

Appendix “C”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 21ST
	)	
MR. JUSTICE OSBORNE	)	DAY OF AUGUST, 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

SISP ORDER

THIS MOTION, made by the Applicant, Arbat Capital Group Ltd. ("**Arbat**"), seeking, among other relief, an Order (i) approving the sale and investment solicitation process ("**SISP**") attached hereto as **Schedule "A"**; and (ii) authorizing and directing the Monitor (as defined below) to conduct the SISP, was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the Affidavit of Alexey Golubovich, affirmed August 15, 2025 (the "**Third Golubovich Affidavit**"), and the Exhibits thereto, and the report (the "**Second Report**") of Grant Thornton Limited ("**GTL**"), in its capacity as the Court-ordered monitor (in such capacity, the "**Monitor**") of the Second Cup Coffee Company Inc. (the "**Debtor**"), and on hearing the submissions of counsel for Arbat, counsel for the Monitor, and counsel for such other parties listed on the participant information sheet, with no one else appearing for any other party although duly served as appears from the Affidavit of Service of Shallon Garrafa, sworn August 15, 2025, filed,

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used in this order and not otherwise defined herein have the meanings ascribed to them under the SISP.

SERVICE

2. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and Motion Record is abridged and validated such that this motion is properly returnable today, and further service of the Notice of Motion and the Motion Record is hereby dispensed with.

APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS

3. **THIS COURT ORDERS** that the SISP (subject to such amendments as may be agreed to by the Monitor, the Debtor, and the Applicant, in its capacity as interim lender, in accordance with the terms of the SISP), appended hereto as **Schedule "A"**, is hereby approved.

4. **THIS COURT ORDERS** that the Monitor is authorized and directed to take such steps as it deems necessary or advisable to carry out and perform its obligations under the SISP, including but not limited to bringing a Sale Approval Motion, as defined in the SISP, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SISP.

5. **THIS COURT ORDERS** that the Monitor and its respective affiliates, directors, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Monitor in performing its obligations under the SISP, as determined by this Court.

6. **THIS COURT ORDERS** that the Monitor and the Debtor, and their respective counsel, be and are hereby authorized, but not obligated, to serve or distribute this SISP Order, any other materials, orders, communication, correspondence or other information as may be necessary or desirable in connection with the SISP to any Person (as defined in the Initial Order dated May 22, 2025, as amended and restated) or interested party that the Monitor or the Debtor considers appropriate. For greater certainty, any such distribution, communication or correspondence shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Monitor and the Debtor are hereby authorized and permitted to disclose and transfer to each Potential Bidder and to thier advisors, if requested by such Potential Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Debtor's records pertaining to its past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the Property ("**Sale**") or investment in the Business ("**Investment**") or a combination thereof. Each Potential Bidder to whom such personal

information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale or Investment, and if it does not complete a Sale or Investment, shall return all such information to the Monitor and the Debtor, or in the alternative destroy all such information. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Property of Business acquired pursuant to the Sale, or invested in pursuant to the Investment, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Monitor and the Debtor, and otherwise ensure that all other personal information in their possession is destroyed.

APPROVAL OF STALKING HORSE AGREEMENT

8. **THIS COURT ORDERS** that the Debtor, through the CRO, is hereby authorized and empowered to enter into the stalking horse subscription agreement ("**Stalking Horse Agreement**") between Arbat (as the "**Stalking Horse Bidder**") and the Debtor substantially in the form attached as Exhibit "E" to the Third Golubovich Affidavit, with such minor amendments as may be acceptable to the Monitor, the Debtor, and the Stalking Horse Bidder, provided that nothing herein approves the sale of any Property to the Stalking Horse Bidder. The approval of any sale of any Property to the Stalking Horse Bidder shall be considered by this Court on a subsequent motion if the Stalking Horse Agreement is the Successful Bid pursuant to the SISP.

9. **THIS COURT ORDERS** that the Stalking Horse Agreement is hereby approved and accepted as the "Stalking Horse Agreement" for the purposes of being the "Stalking Horse Bid" under the SISP, and subject to further order of the Court referred to in paragraph 8 above.

10. **THIS COURT ORDERS** that, if the Stalking Horse Bidder is not the Successful Bidder, the Debtor is authorized to pay the Break Fee in the amount of $150,000, in accordance with the terms of the Stalking Horse Agreement.

GENERAL

11. **THIS COURT ORDERS** that any interested party (including the Applicant, the CRO, and the Monitor) may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or elsewhere, to give effect to this Order and to assist 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 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 Debtor and the Monitor and their respective agents in carrying out the terms of this Order.

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

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

Osborne, J.

Digitally signed by Osborne J.
Date: 2025.08.21 17:28:48 -04'00'

SCHEDULE "A"
SALE AND INVESTMENT SOLICITATION PROCESS

Sale and Investment Solicitation Process

The Second Cup Coffee Company Inc. (the "Debtor")

Introduction

1. On May 22, 2025, the Debtor was granted an initial order (as amended or amended and restated on May 29, 2025, and from time to time, the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**" and the "**CCAA Proceedings**") by the Ontario Superior Court of Justice (the "**Court**"). The Initial Order, among other things:

    a. stayed all proceedings against the Debtor, its assets and its directors and officers;

    b. appointed Maxim Lojevsky as chief restructuring officer of the Debtor (in such capacity, the "**CRO**"); and

    c. appointed Grant Thornton Limited as the monitor of the Debtor (in such capacity, the "**Monitor**").

2. Further to the Debtor's restructuring efforts, the Monitor will conduct the sale and investment solicitation process (the "**SISP**") described herein, with the assistance of the Debtor and the CRO, and pursuant to the Order of the Court dated August 21, 2025 (the "**SISP Order**"). The SISP is intended to solicit interest in an acquisition or refinancing of the business or a sale of the Debtor's assets and/or the business by way of merger, reorganization, recapitalization, primary equity issuance or other similar transactions. The Monitor intends to provide all Potential Bidders (as defined herein) an opportunity to participate in the SISP.

3. Arbat Capital Group Ltd. (the "**Stalking Horse Bidder**") and the Debtor entered into a term sheet dated as of May 16, 2025 (as subsequently amended and restated, the "**DIP Term Sheet**") pursuant to which the Stalking Horse Bidder extended an interim finance facility to the Debtor in the maximum aggregate principal amount of $1,500,000 (the "**DIP Facility**").

4. The SISP Order also approves the stalking horse agreement between the Debtor and the Stalking Horse Bidder or its nominee dated on or about August 15, 2025 (as may be amended from time to time, the "**Stalking Horse Subscription Agreement**"), under which the Stalking Horse Bidder agreed to subscribe to and purchase all of the Debtor's share capital, and act as the stalking horse bid in the SISP (the "**Stalking Horse Bid**"). The Stalking Horse Bid shall automatically be considered a Qualified Bid (as defined herein) for the purposes of the Auction (as defined herein).

Opportunity

5. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Debtor's assets and business operations (the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization or other form or reorganization of the business and affairs of the Debtor as a going concern or a sale of all, substantially all or

one or more components of the Debtor's assets (the "**Property**") and business operations (the "**Business**") as a going concern or otherwise, or some combination thereof (each, a "**Transaction**").

6. This document describes the SISP, including the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities (each, a "**Person**") may gain access to, or continue to have access to due diligence materials concerning the Debtor, the Property and the Business, how bids involving the Debtor, the Property or the Business will be submitted to, and dealt with by the Monitor, and how Court approval will be obtained in respect of a Transaction.

7. The SISP contemplates a one-stage process that involves the submission by interested parties of Bids by the Bid Deadline (as defined below).

8. Any sale (or sales) of the Property or the Business or portions thereof will be on an "**as is, where is**" basis without surviving representations or warranties of any kind, nature, or description by the Monitor or the Debtor, or any of their respective agents or advisors, except for, the representations and warranties in the Stalking Horse Subscription Agreement.

9. In the event of a sale, to the extent permitted by law and subject to obtaining a court order, all of the rights, title and interests of the Debtor in and to the Property or the Business to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the "**Claims and Interests**"), except for retained Claims and Interests, pursuant to section 36(6) of the CCAA, such Claims and Interests will attach to the net proceeds of the sale of such Property or Business and/or excluded assets, as applicable (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant Transaction documents with a Successful Bidder (as defined below) or the Sale Approval Order.

10. In the SISP, (i) "**Business Day**" means any day (other than Saturday or Sunday) that banks are open for business in Toronto, Ontario. If any deadline date referred to in the SISP falls on a day that is not a Business Day, then such date shall be extended until the next Business Day; and (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase, "without limitation".

Timeline

11. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Publication of Notice and Delivery of NDA and Teaser Letter to Known Potential Bidders	Within 5 days following the granting of the SISP Order
Bid Deadline	September 30, 2025
Auction Date (if applicable)	3 business days after the Bid Deadline

Sale Approval Motion (as defined below) in Court	Within 14 days of completion of the Auction or the Bid Deadline.
Closing of the Transaction	10 days after the granting of the Sale Approval Order

12. Subject to any order of the Court, the dates set out in the SISP may be extended by the Monitor with such extensions or amendments shall be posted on the website the Monitor maintains in respect of the CCAA Proceedings.

Solicitation of Interest: Notice of the SISP

13. Within 5 days following the granting of the SISP Order:

    a. the Monitor will prepare a list of potential bidders, including (i) parties that have approached the CRO, the Debtor or the Monitor indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Monitor believes may be interested in a Transaction pursuant to the SISP, in each case whether or not such party has submitted a letter of intent or similar document (collectively, "**Known Potential Bidders**");

    b. the Monitor will arrange for a notice of the SISP (and such other relevant information which the Monitor considers appropriate) (the "**Notice**") to be published in Insolvency Insider, the Monitor's website, and any other newspaper, journal, website or media outlet as the Monitor, consider appropriate, if any; and

    c. the Monitor will prepare: (i) a letter (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a non-disclosure agreement (an "**NDA**").

14. The Monitor will send the Teaser Letter and NDA to each Known Potential Bidder within 5 days following the SISP Order, if granted by the Court, and to any other Person who requests a copy of the Teaser Letter and NDA or who is identified to the Debtor, CRO or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

15. Any party who wishes to participate in the SISP (a "**Potential Bidder**"), other than the Stalking Horse Bidder, must provide to the Monitor an NDA executed by it, and which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.

16. The Monitor shall in its discretion, afford each Potential Bidder who has signed and delivered an NDA to the Monitor and provided information as to their financial wherewithal to close a Transaction such access to due diligence material and information relating to the Property and Business as the Monitor deem appropriate. Due diligence shall include access to the virtual data room ("**VDR**") containing documentary materials reasonably likely to be relevant

to Potential Bidders in their assessment of the Opportunity, and may also include other information which a Potential Bidder may reasonably request and as to which the Monitor, in its reasonable judgment may determine relevant. The Monitor will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated. Neither the Debtor, the CRO nor the Monitor will be obligated to furnish any information relating to the Property or Business to any person other than to Potential Bidders. Neither the Debtor, the CRO nor the Monitor is responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Property and the Business.

17. The Monitor may limit the access of any Potential Bidder to any information in the VDR where the Monitor reasonably determines that such access could negatively impact the SISP, the ability to maintain the confidentiality of the information, the Business, the Property or their value.

18. The Debtor, the CRO, the Monitor and their respective advisors make no representation or warranty as to the information contained in the VDR, Teaser Letter, or otherwise made available pursuant to the SISP. Potential Bidders must rely solely on their own independent review, due diligence, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any Transaction and/or investment they enter into with the Debtor.

19. At any time during the SISP, the Monitor may, in its reasonable judgment eliminate a Participating Bidder from the SISP, in which case such bidder will be eliminated from the SISP and will no longer be a "Potential Bidder" for the purposes of the SISP.

Protective Steps for Insider Involvement

20. No later than 10 days after the date on which the SISP Order is granted, if any officer, director, employee, or equity holder of the Debtor (each, an "**Insider**") intends to become, support, partner with, or acquire a direct or indirect equity interest in a Potential Bidder, or has or wishes to have any direct or indirect involvement or participation in any Qualified Bid ("**Insider Involvement**"), such Insider shall disclose in writing to the Monitor its Insider Involvement.

21. Any Insider that has Insider Involvement (a "**Participating Insider**") shall undertake and certify in writing to the Monitor (in the form required by the Monitor) that the Participating Insider will not take any steps to affect or impair the integrity of the SISP, including by providing inaccurate or incomplete information to Potential Bidders or by discouraging Potential Bidders from participating fully in the SISP.

22. The Stalking Horse Bidder, is a Participating Insider for the purpose of the SISP, without further act or formality.

23. To the extent that any Participating Insider is required to communicate with, provide information to, or answer questions from other Potential Bidders, the Monitor may implement other protective steps to ensure that other Potential Bidders can effectively participate in the

SISP.

24. Until a Successful Bid and Back-Up Bid (as defined below), if any, are selected, Participating Insiders shall not be provided with information about:

    a. the identities of other Potential Bidders;

    b. the identities of parties that submit a Bid; and

    c. the terms of any Bid or Qualified Bid.

25. Further, any Participating Insider that submits a Bid shall not participate in the Monitor's review or consideration of any Qualified Bid, the selection of a Successful Bid or Back-Up Bid, or the negotiation of final Transaction document(s).

26. Despite the restrictions on Participating Insiders contained above, the Monitor, in its sole discretion, may communicate with, disclose necessary information to, or seek information from Participating Insiders for the purposes of overseeing the SISP, evaluating Qualified Bids and bids in the Auction selecting a Successful Bid and Back-Up Bid, and finalizing the final Transaction document(s).

27. If a Participating Insider, other than the Stalking Horse Bidder, wishes to irrevocably cease Insider Involvement and entirely withdraw from the SISP, it may deliver written notice of such intention to the Monitor, at which time the Insider shall cease to be a Participating Insider and shall (subject to the Monitor's consent and the other terms of this SISP) be permitted to receive the information described in Paragraph 24.

Formal Bids

28. Potential Bidders that wish to make a formal offer to purchase or make an investment in the Debtor or its Property or Business (a "**Bidder**") shall submit a Bid (a "**Bid**") that complies with all of the following requirements to the Monitor and its counsel at the addresses specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than **5:00 PM (EST)** on September 30, 2025, or as may be modified in the Bid process letter that may be circulated by the Monitor to Potential Bidders (the "**Bid Deadline**"):

    a. the Bid must be either a Bid to:

        i. acquire all, substantially all or a portion of the Property (a "**Sale Proposal**"); and/or

        ii. make an investment in, restructure, reorganize or refinance the Business or the Debtor (an "**Investment Proposal**"); or

        iii. carry out any combination of a Sale Proposal and an Investment Proposal by one or more parties acting together or separately;

    b. the Bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in the Debtor or its Property or Business and is consistent with any necessary terms and conditions established by the Monitor and communicated to Bidders;

c. the Bid includes a letter stating that the Bidder's offer is irrevocable until the selection of the Successful Bidder, provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the Transaction with the Successful Bidder;

d. the Bid includes duly authorized and executed Transaction agreements, including the purchase price, investment amount (the "**Purchase Price**"), together with all exhibits and schedules thereto;

e. the Bid is accompanied by a deposit (the "**Deposit**") in the form of a wire transfer (to a non- interest bearing trust account specified by the Monitor), in an amount equal to ten percent (10%) of the Purchase Price, investment amount or other consideration to be paid in respect of the Bid, to be held and dealt with in accordance with this SISP;

f. the Bid includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed Transaction, that will allow the Monitor to make a determination as to the Bidder's financial and other capabilities to consummate the proposed Transaction;

g. the Bid is not conditioned on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing;

h. the Bid fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting, directly or indirectly, from such Bid;

i. for a Sale Proposal, the Bid includes:

    i. the purchase price in Canadian dollars and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;

    ii. a description of the Property that is expected to be subject to the Transaction and any of the Property expected to be excluded;

    iii. a specific indication of the financial capability of the Bidder and the expected structure and financing of the Transaction;

    iv. a description of the conditions and approvals required to complete the closing of the Transaction;

    v. a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume; and

vi. any other terms or conditions of the Sale Proposal that the Bidder believes are material to the Transaction.

j. for an Investment Proposal, the Bid includes:

i. a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing or reorganization, and a description of any non-cash consideration;

ii. the aggregate amount of the equity and/or debt investment to be made in the Business or the Debtor in Canadian dollars.

iii. the underlying assumptions regarding the *pro forma* capital structure;

iv. a specific indication of the sources of capital for the Bidder and the structure and financing of the Transaction;

v. a description of the conditions and approvals required for the Bidder to complete the closing of the Transaction;

vi. a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume; and

vii. any other terms or conditions of the Investment Proposal.

k. the Bid includes acknowledgements and representations of the Bidder that the Bidder:

i. is completing the Transaction on an "as is, where is" basis;

ii. has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Debtor prior to making its Bid;

iii. has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and

iv. did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Debtor and CRO or the completeness of any information provided in connection therewith, except as expressly stated in the definitive Transaction agreement(s) signed by the Debtor;

l. the Bid is received by the Bid Deadline; and

m. the Bid contemplates closing the Transaction set out therein 10 days following the granting of the Sale Approval Order.

n. a duly authorized and executed copy of a proposed purchase agreement and a redline of the Potential Bidder's proposed purchase agreement reflecting variations from the form of purchase agreement uploaded to the VDR (the "**Modified Purchase Agreement**");

o. there shall be no provision within the Modified Purchase Agreement requesting or entitling the Potential Bidder to any termination or break-up fee, expense reimbursement or similar type of payment;

29. Following the Bid Deadline, the Monitor will assess the Bids received. The Monitor will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Bids received shall be deemed to be Qualified Bids without the approval of the Monitor. Only Bidders whose Bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

30. The Stalking Horse Bid is deemed to be a Qualified Bid.

31. The Monitor may only designate a Bid as a Qualified Bid where the proposed purchase price is equal to or greater than that contained in the Stalking Horse Bid, and includes a cash purchase price in an amount equal to or greater than the purchase price contained in the Stalking Horse Bid, plus CAD$250,000. The Monitor shall, upon request by a Potential Bidder, provide the Potential Bidder with an estimate of the purchase price contained in the Stalking Horse Bid as of the Bid Deadline.

32. The Monitor may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Bids to be a Qualified Bid. Neither the Monitor nor the CRO will be under any obligation to negotiate identical terms with, or extend identical terms to, each Bidder.

33. The Monitor shall notify each Bidder in writing as to whether its Bid constitutes a Qualified Bid within two (2) business days of the Bid Deadline, or at such later time as the Monitor deems appropriate.

34. The Monitor may aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.

Evaluation of Qualified Bids

35. A Qualified Bid will be evaluated by the Monitor based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such Bid, (ii) the identity, circumstances and ability of the Bidder to successfully complete such Transactions, (iii) the proposed Transaction documents, (iv) factors affecting the speed, certainty and value of the Transaction, (v) the assets included or excluded from the Bid, (vi) any related restructuring costs, (vii) the likelihood and timing of consummating such Transaction, and (viii) any other factor deemed relevant by the Monitor.

36. If no Qualified Bids are received by the Monitor, the Stalking Horse Bid shall be the Successful Bid (as defined below) and the SISP shall not proceed to an Auction.

Auction

37. If the Monitor receives at least one Qualified Bid in addition to the Stalking Horse Bid, the Monitor will conduct and administer an Auction in accordance with the terms of this SISP (the "**Auction**"). Instructions to participate in the Auction, which will take place via video conference, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.

38. Only parties that provided a Qualified Bid by the Bid Deadline, as confirmed by the Monitor, including the Stalking Horse Bid (collectively, the "**Qualified Parties**" and each a "**Qualified Party**"), shall be eligible to participate in the Auction. No later than **5:00 p.m. (EST)** on the day prior to the Auction, each Qualified Party must inform the Monitor whether it intends to participate in the Auction. The Monitor will promptly thereafter inform, in writing, each Qualified Party who has expressed its intent to participate in the Auction, of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Bid shall be the Successful Bid (as defined below).

Auction Procedure

39. The Auction shall be governed by the following procedures:

    a. **Participation at the Auction.** Only the Debtor, represented by the CRO, the Qualified Parties, including the Stalking Horse Bidder, the Monitor and each of their respective advisors and legal counsel will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction. The Monitor shall provide all Qualified Parties with the details of the lead Bid by 5:00 PM (EST), one (1) Business Day after the Bid Deadline. Each Qualified Party must inform the Monitor whether it intends to participate in the Auction no later than 5:00 PM (EST) on the Business Day prior to the Auction;

    b. **No Collusion.** Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the Bid process; and (ii) its Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Successful Bid;

    c. **Minimum Overbid.** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Monitor (the "**Initial Bid**"), and any Bid made at the Auction by a Qualified Party subsequent to the Monitor's announcement of the Initial Bid (each, an "**Overbid**"), must proceed in minimum additional cash increments of CAD$250,000 for the first Bid and then in cash increments of CAD$50,000 for each subsequent Bid.

d. **Bidding Order.** Prior to the first Overbid, the Monitor in its sole discretion will announce the order in which each remaining Qualified Party shall present its Overbid. A Qualified Party may not abstain from participating in an Auction bidding round. Failure to submit an Overbid at the designated time will result in an automatic disqualification from the Auction and immediate removal from the videoconference. The Monitor shall use its discretion in providing Bidders with an interval between Auction bidding rounds;

e. **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent Bid will be fully disclosed to all other Qualified Parties throughout the entire Auction by video conference room, or such other method of communication the Monitor advises; provided, however, that the Monitor, in its discretion, may establish separate video conference rooms to permit interim discussions between the Monitor and individual Qualified Parties with the understanding that all formal Bids will be delivered in one group video conference, on an open basis;

f. **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit one or more additional Overbids with full knowledge and written confirmation of the then-existing highest Overbid(s);

g. **Successful Bid.** Each Qualified Party will be given reasonable opportunity to submit an Overbid at the Auction to any then-existing Overbids. The Auction will continue until the bidding has concluded and there is one remaining Qualified Party. The Monitor shall determine, with reference to the factors set out in paragraph 34 herein, and any other factors the Monitor may reasonably deem relevant, which Qualified Party has submitted (i) the highest and best Bid of the Auction (the "**Successful Bid**", and the Qualified Party making such Successful Bid, the "**Successful Bidder**"), and (ii) the next highest and otherwise second-best Overbid of the Auction (the "**Back-Up Bid**", and the Bidder making such Back-Up Bid, the "**Back-Up Bidder**"); The Monitor is not required to select the offer with the highest purchase price and may, exercising their reasonable business judgment, select another offer on the basis that it is the best offer even though not the highest purchase price. Without limiting the foregoing, the Monitor may give such weight to the non-monetary considerations as they determine, exercising their reasonable business judgment, as appropriate and reasonable under the circumstances.

h. **Non-Cash Consideration.** Non-cash consideration may be offered by an Auction bidder, however, the Monitor is under no obligation to accept such non-cash consideration and has absolute discretion to determine the value of same;

i. **No Post-Auction Bids.** No Bids will be considered for any purpose after the Auction has concluded.

j. **Financial Wherewithal.** Within 48 hours of the conclusion of the Auction, the Successful Bidder and Back-Up Bidder shall provide the Monitor with evidence, at the Monitor's sole discretion to establish financial wherewithal with respect to each of their final bids.

40. **Auction Procedures.** The Monitor shall be at liberty to set additional procedural rules at the Auction as it sees fit.

Credit Bidding

41. The Stalking Horse Bidder will be entitled pursuant to the Stalking Horse Subscription Agreement, including for greater certainty as part of the Auction, as the case may be, to credit bid or retain as retained liabilities all or part of the existing obligations owing to it pursuant to the DIP Facility, including all interest, costs and fees to which the Stalking Horse Bidder is entitled to under the DIP Term Sheet.

Transaction Documents

42. Completion and execution of definitive documentation in respect of such Successful Bid and Back-Up Bid, as applicable, must be finalized and executed as soon as possible after the close of the Auction, and in any event within five (5) calendar days after the close of the Auction, which definitive documentation will provide that the Successful Bidder will use all reasonable efforts to close the proposed Transaction by no later than ten (10) calendar days after granting of the Sale Approval Order, or such other period as may be agreed to by the Monitor, the Stalking Horse Bidder, and the Successful Bidder, subject to the terms hereof. In any event, such Successful Bid must be closed by no later than November 15, 2025 (the "**Outside Date**"). If a Back-Up Bid is identified in accordance with the SISP, then such Back-Up Bid shall remain open until the date (the "**Back-Up Bid Outside Date**") on which the Transaction contemplated by the applicable Successful Bid is consummated or such earlier date as the Monitor determines. If the Transactions contemplated by the applicable Successful Bid have not closed by the Outside Date, or the applicable Successful Bid is terminated for any reason prior to the Outside Date, the Monitor, in consultation with the Stalking Horse Bidder, may elect to seek to complete the Transactions contemplated by the applicable Back-Up Bid, and will promptly seek to close the Transaction contemplated by such Back-Up Bid, which will be deemed to be a Successful Bid. The Debtor will be deemed to have accepted such Back-Up Bid only when the Monitor has made such election.

Expense Reimbursement/Break Fee

43. To provide an incentive and to compensate the Stalking Horse Bidder for performing the due diligence and incurring the expenses necessary in entering into the Stalking Horse Bid with the knowledge and risk that arises from participating in the SISP and the bidding process, the Debtor has agreed to pay the Stalking Horse Bidder, subject to the terms outlined herein and in the Stalking Horse Bid, a reimbursement for its reasonable and documented out-of-pocket fees and expenses, in the amount of CAD$150,000 inclusive of HST, in the event that the Stalking Horse Bidder is not the Successful Bidder (the "**Break Fee**").

44. The Break Fee is a material inducement for, and a condition of, the Stalking Horse Bidder's entry into the Stalking Horse Bid. The Break Fee, if payable under the Stalking Horse Bid, shall be paid in accordance with the Stalking Horse Bid and the Stalking Horse Subscription Agreement and SISP Approval Order.

Sale Approval Motion Hearing

45. At the hearing of the motion to approve any Transaction with a successful party (the "**Sale Approval Motion**"), the Monitor or the Debtor shall seek, among other things, approval from the Court to consummate any Successful Bid, through a vesting order and/or reverse vesting order (the "**Sale Approval Order**"). All the Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Monitor and the Debtor on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

46. All discussions regarding a Sale Proposal, Investment Proposal, or Bid should be directed through the Monitor. Under no circumstances should the management of the Debtor be contacted directly without the prior consent of the Monitor, and any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process.

47. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, the details of any Bids submitted or the details of any confidential discussions or correspondence between the Debtor, the Monitor and such other Bidders or Potential Bidders in connection with the SISP, except to the extent the Debtor, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Qualified Parties. The Monitor shall obtain the consent of the Qualified Parties prior to aggregating their Bids into a Qualified Bid.

Supervision of the SISP

48. The Monitor shall oversee and conduct the SISP, in all respects, and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out in this SISP, the SISP Order, the Initial Order and any other orders of the Court, and is entitled to receive all information in relation to the SISP.

49. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Debtor and/or the Monitor and any Potential Bidder, any Qualified Party, or any other Person, other than as specifically set forth in the NDA, or any other definitive agreement that may be entered into with the Debtor.

50. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder, the Back-Up Bidder, the Debtor, the DIP Lender, or any other creditor

or other stakeholder of the Debtor, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result from gross negligence or willful misconduct of the Monitor. By submitting a Bid, each Bidder, including the Successful Bidder and Back-Up Bidder, shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or willful misconduct of the Monitor.

51. The Monitor shall have the right to modify the SISP (including, without limitation, pursuant to the Bid process letter) if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the service list in these CCAA proceedings shall be advised of any material modification to the procedures set forth herein. The Monitor will post on the Monitor's website, as soon as practicable, any such modification, amendment, variation or supplement to this SISP and inform the bidders impacted by such modifications.

52. Each participant in the SISP acknowledges and agrees that the Monitor shall have no liability whatsoever to any participant, Potential Bidder, or other Person in connection with the SISP, or any Bid submitted or not submitted, and expressly waives any and all claims, causes of action, or remedies against the Monitor arising therefrom, except to the extent resulting from the Monitor's gross negligence or willful misconduct as determined by a final non-appealable order of the Court.

53. The Monitor shall have the right to adopt such other rules for the SISP (including rules that may depart from those set forth herein) that in its reasonable business judgment will better promote the goals of the SISP, provided, however, that the adoption of any rule that materially deviates from this SISP shall require the prior written consent of the Stalking Horse Bidder or a further Order of the Court.

54. Except as expressly set out in the SISP, no rights shall arise against the Monitor, the Debtor, or any of their respective advisors or representatives arising from any Bid, participation in the SISP, or any related matter.

55. For greater certainty, the Monitor is acting solely in its capacity as an officer of the Court and is not acting as an agent for the Debtor, the CRO, or any other stakeholder in connection with the SISP.

Deposits

56. The Deposit(s):

    a. will, upon receipt from the Qualified Party, be retained by the Monitor and deposited in a non-interest-bearing trust account, and subsequently dealt with in accordance with subsections (b) and (c), below;

    b. received from the Successful Bidder(s) and the Back-Up Bidder(s), if any, will: (i) be applied to the purchase price to be paid by the applicable Successful Bidder or

Back-Up Bidder whose Successful Bid or Back-Up Bid, as applicable, is the subject of the Sale Approval Order(s), upon closing of the approved Transaction; and (ii) otherwise be held and refunded in accordance with the terms of the definitive documentation in respect of the applicable Successful Bid or Back-Up Bid, provided that (i) all such documentation will provide that the Deposit will be fully refunded to the Back-Up Bidder on the Back-Up Bid Outside Date; and (ii) all such documentation will provide that the Deposit will be retained by the Debtor and forfeited by the Successful Bidder, if its Successful Bid fails to close by the Outside Date and such failure is attributable to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of its Successful Bid; and

c. received from the Qualified Party that is not the Successful Bidder or the Back-Up Bidder will be fully refunded to the Qualified Party that paid the Deposit as soon as practicable following the selection of the Successful Bidder and the Back-Up Bidder.

57. Notwithstanding anything to the contrary herein, the Stalking Horse Bidder will not be required to provide a Deposit.

Additional Terms

58. In addition to any other requirement of the SISP, any consent, approval or confirmation to be provided by the Stalking Horse Bidder, the CRO and/or the Monitor is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the CCAA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email will be deemed to have been provided in writing for the purposes of this paragraph.

Further Orders

59. At any time during the SISP, the CRO or the Monitor may apply to the Court for advice and directions with respect to any aspect of this SISP including, but not limited to, the continuation of the SISP or with respect to the discharge of the Monitor's powers and duties hereunder.

Costs and Expenses

60. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the evaluation of the Opportunity, submission of any Bid, due diligence activities, and any other negotiations or other actions related to the SISP, whether or not they lead to the consummation of a Transaction.

Schedule "1"
Address of the Monitor

<u>To the Monitor:</u>

Grant Thornton Limited
200 King St West,11th Floor
Toronto ON M5H 3T4

Attention: Jason Kanji and Jesse Cooper

Email: Jason.Kanji@doane.gt.caand Jesse.Cooper@doane.gt.ca

With a copy to:

Cassels Brock & Blackwell LLP
Bay Adelaide Centre – North Tower
40 Temperance Street Suite 3200
Toronto, ON M5H 0B4

Attention: Monique Sassi and Joshua Gordon
msassi@cassels.com and jgordon@cassels.com

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

SISP ORDER

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

Gavin H. Finlayson LSO# 44126D
Email: gfinlayson@millerthomson.com
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Email: mcressatti@millerthomson.com
Tel: 416-597-4311

Lawyers for the Applicant

Appendix “D”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE 21ST
	)	
JUSTICE OSBORNE	)	DAY OF AUGUST, 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

ORDER
(Re: Stay Extension)

THIS MOTION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Motion dated August 14, 2025, the Affidavit of Alexey Golubovich sworn August 14, 2025 (the "**Third Golubovich Affidavit**"), the report (the "**Second 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 the Amended and Restated Initial Order dated May 29, 2025 (the "**ARIO**"), as may be further amended and restated from time to time, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, and counsel for such other parties listed on the participant information sheet, with no one else appearing for any other party although duly served as appears from the Affidavit of Service of Shallon Garrafa, sworn August 15, 2025, filed,

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 Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein have the meaning ascribed to them in the amended and restated initial order dated May 29, 2025 (the "**ARIO**") or the Third Golubovich Affidavit.

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period is hereby extended up to and including November 7, 2025.

DIP FINANCING INCREASE

4. **THIS COURT ORDERS** that the first amendment to the DIP Facility Term Sheet (the "**First DIP Amendment**") attached as Exhibit "F" to the Third Golubovich Affidavit is hereby approved.

5. **THIS COURT ORDERS** that the Debtor is hereby authorized to borrow up to $1,500,000 from the DIP Lender under the DIP Facility Term Sheet, and the DIP Facility Charge, as defined in paragraph 38 of the ARIO, is hereby increased to the amounts outstanding under the DIP Facility Term Sheet as amended by the First DIP Amendment.

GENERAL

6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, 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.

7. **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.

8. **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.

9. **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.

Osborne, J.

Digitally signed by Osborne J.
Date: 2025.08.21 17:29:43 -04'00'

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

ORDER
(ANCILLARY RELIEF)

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Appendix “E”

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

THIRD REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED IN ITS CAPACITY AS COURT-APPOINTED MONITOR

October 20, 2025

Doane Grant Thornton

Grant Thornton Limited,
200 King Street West, Floor 11,
Toronto, ON M5H 3T4

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INTRODUCTION

1. On May 20, 2025, Arbat Capital Group Ltd. (the "**Applicant**" or "**Arbat Capital**") made an application to the Superior Court of Justice (Commercial List) in Ontario ("**Court**") under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**") to commence proceedings pursuant to the CCAA (the "**CCAA Application**"), in respect of The Second Cup Coffee Company Inc. (the "**Debtor**" or "**Second Cup**").

2. In support of the CCAA Application, Grant Thornton Limited ("**GTL**"), at that time the proposed monitor, provided further background information and clarification regarding the CCAA Application through a pre-filing report of the proposed monitor dated May 21, 2025 (the "**Pre-Filing Report**").

3. On May 22, 2025, Justice Cavanagh heard various submissions from counsel present and granted an initial order pursuant to the CCAA (the "**Initial Order**"). Pursuant to the Initial Order, GTL was appointed as monitor of Second Cup (in such capacity, the "**Monitor**"). Since the Debtor had no chief financial officer and the director of finance resigned shortly before the CCAA filing, the Applicant sought the appointment of a chief restructuring officer. Pursuant to the Initial Order, Maxim Lojevsky, the current chairman of the board of directors of Second Cup (the "**Board**"), was appointed as the Chief Restructuring Officer over and in respect of the Debtor (in such capacity, the "**CRO**").

4. The Initial Order, among other things:

   (a) declared that Second Cup is a company to which the CCAA applies;

   (b) ordered that the Debtor shall remain in possession and control of its Property (as defined in the Initial Order) and continue to operate its Business (as defined in the Initial Order) in the ordinary course;

   (c) ordered that until and including June 1, 2025 or such later date as the 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 Monitor and Second Cup, or with leave of the 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 the Court;

(d) granted a charge on the Property of the Debtor, not to exceed an aggregate amount of $275,000, as security for the payment of the professional fees and disbursements of the Monitor and its counsel, the CRO and counsel to the Applicant (the "**Administration Charge**");

(e) authorized and empowered the Debtor to obtain and borrow under the Debtor-in-possession term sheet (the "**DIP Facility Term Sheet**") between the Debtor, as the borrower, and the Applicant, as lender (in such capacity, the "**DIP Lender**"). The DIP Facility Term Sheet provides for borrowings until the comeback hearing (the "**Comeback Hearing**") not to exceed $200,000 plus interest, fees, and expenses, unless permitted by further Order of the Court, in order to finance the Debtor's working capital requirements, the restructuring process, other general corporate purposes, accrued interest, expenses, and capital expenditures, all in accordance with the terms of the DIP Facility Term Sheet (the "**DIP Facility**");

(f) granted the DIP Lender a priority charge on the Property of Second Cup (the "**DIP Facility Charge**"), 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 the Initial Order was made;

(g) granted a charge on the Property of the Debtor not to exceed an aggregate amount of $100,000, in favour of the directors and officers of Second Cup (the "**Directors' Charge**"); and

(h) set down the Comeback Hearing for May 29, 2025.

5. At the Comeback Hearing on May 29, 2025, the Court granted an amended and restated Initial Order (the "**ARIO**"), which among other things:

(a) extended the Stay Period to August 28, 2025;

(b) approved certain pre-filing payments to vendors that were deemed critical to Second Cup's ongoing business operation (the "**Critical Suppliers**");

(c) approved an amended and restated DIP Facility Term Sheet (the "**Amended DIP Term Sheet**"), which among other things, increased the amounts which may be borrowed by the Debtor under the DIP Facility Term Sheet to $900,000, which, together with the other obligations of the Debtor under the DIP Facility Term Sheet are to be secured by the DIP Lender's Charge;

(d) increased the amount of the Administration Charge to $500,000; and

(e) increased the amount of the Directors’ Charge to $220,000, in light of there being no Directors’ and Officers’ liability insurance being in place.

6. At the Comeback Hearing, the Court also granted a claims identification order (the “**Claims Identification Order**”), approving the process to identify claims which may be outstanding in respect of the Debtor or the Board (the “**Claims Identification Process**”). Copies of the ARIO and the Claims Identification Order are attached hereto as **Appendix “A”** and **Appendix “B”**, respectively.

7. On August 21, 2025 the Applicant brought a motion (the “**August 21 Motion**”) for an order (the “**SISP Order**”) to approve, among other things, a sale and investment solicitation process (“**SISP**”) and the Stalking Horse Subscription Agreement between Arbat Capital and Second Cup dated August 15, 2025 (the “**Stalking Horse Agreement**”).

8. Following the August 21 Motion, the Court approved and granted the SISP Order as well as, an ancillary order, which among other things:

(a) extended the Stay Period to November 7, 2025; and

(b) approved an amendment to the Amended DIP Term Sheet (the “**DIP Amendment**”), to among other things, increase the amounts which may be borrowed by the Debtor under the Amended DIP Term Sheet to $1,500,000, which together with the other obligations of the Debtor under the Amended DIP Term Sheet and the DIP Amendment would be secured by the DIP Lender’s Charge.

9. Copies of the SISP Order including the SISP and the ancillary order dated August 21, 2025 are attached hereto as **Appendix “C”** and **Appendix “D”**, respectively.

10. This third report of the Monitor (the “**Third Report**”) and other information in respect of these CCAA proceedings (the “**CCAA Proceedings**”) are posted on the Monitor’s case website at www.DoaneGrantThornton.ca/SecondCup.

PURPOSE OF THE THIRD REPORT

11. This Third Report is intended to provide the Court with the following:

(a) an update on the activities of the Monitor since August 18, 2025, the date of the Second Report;

(b) an update on the Claims Identification Process;

(c) an update on the conclusion of the SISP, the selection of an Amended Purchase Agreement (as defined herein) by Arbat Capital as the Successful Bid ("**Successful Bidder**") pursuant to the SISP, and the proposed reverse vesting transaction ("**Proposed Transaction**") derived therefrom;

(d) the Monitor's views on the Proposed Transaction and commentary on the expected recovery to the Debtor's creditors should the Proposed Transaction be approved by this Court and subsequently close;

(e) the Monitor's views on its motion for the following orders:

i. a reverse vesting order ("**RVO**"), among other things:

a. approving the Proposed Transaction as contemplated in the Stalking Horse Agreement, as proposed to be amended following the Auction by the Amending Agreement No. 1 to Stalking Horse Subscription Agreement (the "**Amending Agreement**") (together, the "**Amended Purchase Agreement**") with the Successful Bidder, that has the effect of replacing Second Cup in these CCAA Proceedings with ResidualCo. (as defined below);

b. providing the Monitor with enhanced powers to close the Proposed Transaction on behalf of the Debtor and enhanced powers over ResidualCo., upon filing the Monitor's Closing Certificate confirming that the Proposed Transaction has closed.

ii. an ancillary Order (the "**Ancillary Order**"), among other things:

a. extending the Stay Period to January 31, 2026;

b. approving the Third Report, as well as the activities of the Monitor and its counsel as reported herein;

c. approving the confidential appendices to the Third Report ("**Confidential Appendices**") and granting a sealing order thereto;

(f) approving the fees and disbursements of the Monitor and its counsel from the commencement of the CCAA Proceedings through September 30, 2025. an update on the Debtor's actual cash flows through October 11, 2025 compared to the cash flow forecast filed in the Second Report; and

(g) the Monitor's views on the Debtor's revised cash flow forecast for the period of October 12, 2025, to November 8, 2025.

TERMS OF REFERENCE

12. In preparing this Third Report, the Monitor has been provided with, and has relied upon unaudited internal financial statements, certain other financial information and financial projections of the Debtor, discussions with the management and shareholders of the Debtor ("**Management**"), discussion with the Applicant's counsel, and financial information provided by other stakeholders (collectively, the "**Information**"). While the Monitor reviewed the Information for reasonableness and believes that the information herein provides a fair summary of the transactions as reflected in the documents of the Debtor, 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.

13. Some of the information used in preparing this Third Report consists of financial projections, including cash flow projections. The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Debtor's actual results may vary from the cash flow projections, even if the hypothetical and probable assumptions contained therein ("**Probable and Hypothetical Assumptions**") materialize, and the variations could be significant.

14. Over the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Debtor and its Management, within the context in which such 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 has requested that Management bring to its attention any significant matters which were not addressed during the Monitor's specific inquiries. Accordingly, this Third Report is based solely on the information (financial or otherwise) made available to the Monitor by the Applicant, the Debtor, Management, the CRO and respective counsellors involved in these CCAA Proceedings.

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

16. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

17. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Affidavits of Alexey Golubovich, sworn May 19, 2025, May 27, 2025 and August 15, 2025, (collectively, the "**Golubovich Affidavits**"), the Pre-Filing Report, the Monitor's first report to Court dated May 28, 2025 (the "**First Report**"), and the Monitor's second report to Court dated August 18, 2025 (the "**Second Report**").

ACTIVITIES OF THE MONITOR

18. Since the date of the Second Report the Monitor has amongst other things:

    (a) maintained the Monitor's case website (www.DoaneGrantThornton.ca/SecondCup) and updated it accordingly. Since the Second Report, the following documents have been added to the case website:

        i. the Applicant's Motion Record returnable on August 21, 2025;
        ii. the Second Report dated August 18, 2025;
        iii. the Endorsement of Justice Osborne dated August 21, 2025;
        iv. the Ancillary Order dated August 21, 2025;
        v. the SISP Order dated August 21, 2025;
        vi. the SISP;
        vii. a SISP solicitation document (the "**Teaser Letter**");
        viii. a non-disclosure agreement ("**NDA**") for parties to participate in the SISP; and

ix. an updated E-Service List as at August 17, 2025.

(b) maintained frequent contact with the CRO who continues to have discussions with the suppliers and franchise partners that were identified to be key to the ongoing operations of Second Cup. The Monitor has also continued to have several meetings with the CRO and Management, including, amongst other things, financial resources required, funding requirements, timelines for supplying products to the franchise partners, reporting requirements, the Revised Cash Flow and the October 20 Cash Flow (as defined and discussed further below), and the Claims Identification Process;

(c) assisted the Debtor and CRO in addressing the needs of the franchise partners;

(d) assisted the Debtor in their internal transition following the resignation of Second Cup's Chief Executive Officer as described below;

(e) continued to maintain communication with stakeholders and provided updates on these CCAA Proceedings;

(f) administered the Claim Identification Process; and

(g) implemented the SISP as further described within this Third Report;

CLAIMS IDENTIFICATION PROCESS

19. On May 29, 2025 the Court granted the Claims Identification Order, approving the process to identify and quantify claims against Second Cup. Undefined capitalized terms in this section shall have the meanings ascribed to them in the Claims Identification Order.

20. As noted in the Second Report, by the Claims Bar Date (being June 30, 2025), the Monitor received the following claims:

Claim Type	Number of Claims Received	Quantum of Claims received (CAD)
Pre-Filing Claims for which the Monitor received a Proof of Claim	15	$36,844,858
Restructuring Claims	0	$0
D&O Claims	2	$25,052,115
Total Claims Received	**17**	**$36,896,973**

Note:
1. One Pre-Filing Claim was received after the Claims Bar Date.
2. A priority claim from Canada Revenue Agency is included as a Pre-Filing Claim. All other claims are ordinary unsecured claims.
3. Both D&O Claims are also against Second Cup.

4. D&O Claims include a litigation claim of $25,000,000 from a former shareholder. The claimant also filed an unsecured claim against the Debtor.

21. A total of seventeen (17) Claims were submitted to the Monitor by sixteen (16) Claimants. Each Claim received was reviewed and adjudicated by the Monitor in accordance with the Claims Identification Order.

Monitor's Determination of Priority Claims

22. As stated in the Monitor's previous reports, the Monitor anticipated that the only Claim with a priority under the CCAA would be from Canada Revenue Agency (the "**CRA**"). The CRA submitted its claim (the "**CRA Claim**") in respect of deemed trust amounts for deductions at the source withheld by Second Cup pre-filing inclusive of interest and penalties.

23. Based on a review of the CRA Claim by the Monitor and its counsel, the deemed trust portion of the CRA Claim was determined to rank in priority to the Claims of any secured creditors, including the DIP Lender and Bank of Montreal, in accordance with the ARIO and Section 37 of the CCAA. There are no other priority Claims submitted to the Monitor and all other Claims were unsecured in nature.

Monitor's Adjudication of Claims

24. Paragraph 25 of the Claims Identification Order empowers the Monitor to, among other things, accept, revise, or disallow (in whole or in part) any Claim. Where the Monitor determines that a Claim is to be revised or disallowed, the Monitor was to deliver to that Creditor a Notice of Revision or Disallowance (a "**NORD**"). Following the Monitor and its counsel's review of the seventeen (17) Claims received, the Monitor issued NORDs in respect of a total of five (5) claims. All other Claims were accepted by the Monitor, as filed.

25. As of the date of this Third Report, four (4) claimants have issued a notice of dispute on the Monitor's determination of their claim ("**Notices of Dispute**"). The Monitor continues to review each of the Notices of Dispute, within its authority through the Claims Identification Order.

26. The Claims Identification Order permits the Monitor, in its sole discretion, to refer a dispute raised in a Notice of Dispute to a claims officer for determination or discontinue the adjudication process in respect of such Claim and deem such Claim entirely unaffected by the Claims Identification Process if it is determined to be in the best interests of the Debtor and its stakeholders.

27. As described below, the Amended Purchase Agreement permits the Successful Bidder to designate Retained Liabilities (as defined in the Amended Purchase Agreement) up to five (5) days prior to the Closing Time.

28. The Monitor continues to review the Notices of Dispute and is also in discussions with the Successful Bidder regarding whether those Claims may become Retained Liabilities under the Amended Purchase Agreement. The Monitor intends to report back to the Court on its planned course of action in respect of these Claims.

SALE AND INVESTMENT SOLICITATION PROCESS

29. The SISP outlined a process pursuant to which the Monitor, working in conjunction with the Debtor, would solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Debtor's assets and business (the "**Opportunity**").

30. As a part of the SISP, the SISP Order approved the Stalking Horse Agreement between Arbat Capital (in such capacity, the "**Stalking Horse Bidder**") and the Debtor on or about August 15, 2025. Pursuant to the Stalking Horse Agreement, the Stalking Horse Bidder agreed to subscribe to and purchase all of the Debtor's share capital and act as the stalking horse bid in the SISP (the "**Stalking Horse Bid**").

31. The Monitor provided a detailed description of the SISP in the Second Report. A copy of the Second Report without appendices is attached hereto is **Appendix "E"**.

32. Undefined capitalized terms in this section shall have the meanings ascribed to them in the SISP Order.

Marketing Overview

33. In accordance with the milestones set out in the SISP Order, the Monitor prepared a list of potential bidders including Known Potential Bidders and on August 22, 2025, the Monitor began circulating the Teaser and NDA to a listing of Potential Bidders. A total of eighty-four (84) Potential Bidders were sent the Teaser and NDA throughout the SISP. The Potential Bidder list was developed by the Monitor using information provided by the Debtor, parties that reached out to the Monitor directly, industry research, and the Monitor's contacts from its internal network including, the Monitor's Corporate Finance team. A copy of the Teaser is attached hereto as **Appendix "F".**

34. Potential Bidders contacted by the Monitor during operation of the SISP included parties that were involved in the food and beverage industry, restaurant chains, private investors, other strategic industry players, and private equity firms. These entities were located globally, including parties in Canada, United States, United Kingdom, Australia, India, and other countries in Asia, Europe and the Middle East.

35. Pursuant to paragraph 13 of the SISP, the Monitor also posted advertisements of the SISP in Insolvency Insider and The Globe & Mail (National Edition) on August 26, 2025. A copy of The Globe & Mail (National Edition) August 26, 2025 tear sheet is attached hereto as **Appendix "G"**.

Due Diligence

36. To facilitate due diligence and ensure the integrity of the SISP, the Monitor in conjunction with legal counsel and the Debtor created a virtual data room ("**VDR**") using a due diligence tracking tool and prepared a form of NDA. This tracking tool helped the Monitor streamline the diligence process by anticipating information requests, providing a structure to rapidly respond to questions and ensure the completeness and transparency of data within the VDR.

37. The Monitor hosted the VDR on Firmex which, amongst other things, notified all registered users when new information was posted to the VDR.

38. The Monitor also established an internal process to track and respond to questions received by Potential Bidders and update the VDR as appropriate, while maintaining the confidentiality of the Potential Bidders.

The Bidders

39. On August 27, 2025 the Monitor opened the VDR to 'go live' for those Potential Bidders who returned to the Monitor a properly executed NDA (each, a "**Participating Bidder**"). Throughout the SISP a total of ten (10) parties signed NDAs and received access to the VDR, becoming Participating Bidders.

40. Additionally, to assist Participating Bidders on understanding the Opportunity, the Monitor developed a Confidential Information Memorandum which was uploaded to the VDR on August 25, 2025.

Insider Involvement

41. In accordance with the SISP no later than 10 days following the granting of the SISP Order any officer, director, employee, or equity holder of the Debtor that intended to acquire an interest in a Potential Bidder or be a Potential Bidder (a "**Participating Insider**") was required to disclose their involvement in writing to the Monitor.

42. As described in the Second Report, Arbat Capital, in its capacity as the Stalking Horse Bidder, is a Participating Insider for the purpose of the SISP. The Monitor became aware that the CRO was or would become involved in some capacity with the Stalking Horse Bid or the Stalking Horse Bidder and as such, out of an abundance of caution, the SISP was designed to be conducted exclusively by the Monitor and the Monitor also treated the CRO as a Participating Insider in connection with the SISP.

43. On September 1, 2025, the Monitor received communication from counsel to Mr. Ragas, the then President and Chief Executive Officer of the Debtor, advising that Mr. Ragas was declaring himself a Participating Insider under the SISP. In accordance with the SISP, Mr. Ragas, through his counsel, also confirmed to the Monitor that as a Participating Insider he would not take any steps to affect or impair the integrity of the SISP, including by providing inaccurate or incomplete information to other Potential Bidders or by discouraging Potential Bidders from participating fully in the SISP.

44. On September 5, 2025, Mr. Ragas informed the Monitor that he had resigned from his position as President and Chief Executive Officer of the Debtor, effective October 3, 2025. Subsequently, on September 10, 2025, Mr. Ragas informed the Monitor that he was advancing his resignation date to be effective, September 12, 2025.

45. In accordance with the SISP none of the Participating Insiders participated in the Monitor's review or consideration of the Qualified Bids (as defined below), selection of the Successful Bid or negotiation of the Proposed Transaction documents.

<u>Bids Received</u>

46. On the Bid Deadline of September 30, 2025, the Monitor received a total of one (1) formal offer to purchase or make an investment in the Debtor (a "**Bid**") and this Bid was accompanied by a deposit. In accordance with the SISP, the Monitor was required to only accept a Bid which complied with the requirements set out in paragraphs 28 to 34 of the SISP (a "**Qualified Bid**").

47. The Monitor assessed the Bid received and designated it as a Qualified Bid. Pursuant to the SISP, the Stalking Horse Bid was also to be considered as a Qualified Bid. Including the Stalking Horse Bid, a total of two (2) Qualified Bids were received.

48. A summary of activity throughout the SISP is shown below:

Stage	Count (#)
Potential Bidders contacted	84
Executed NDAs received	10
Qualified Bids	2

<u>The Auction: Selection of the Successful Bidder and the Back-Up Bidder</u>

49. In accordance with the SISP, if the Monitor received at least one Qualified Bid in addition to the Stalking Horse Bid, the Monitor was required to conduct and administer an auction (the "**Auction**").

50. In accordance with the SISP, on October 1, 2025, the Monitor provided all parties who submitted a Qualified Bid (collectively, the "**Qualified Parties**", and each a "**Qualified Party**"), with the details of the leading bid (the "**Leading Bid**"). Pursuant to the SISP, the Leading Bid became the initial Bid at the Auction.

51. Upon each Qualified Party confirming their participation in the Auction, the Qualified Parties were provided with a document on October 1, 2025, outlining the procedures of the Auction as modified from the auction procedures provided in the SISP Order (the "**Auction Procedures**"). A copy of the Auction Procedures is attached hereto as **Appendix "H"**.

52. Both the Qualified Parties confirmed to the Monitor their intention to participate in the Auction by the deadline contemplated in the Auction Procedures. The Monitor thereafter provided each Qualified Party with dial-in details of the Auction.

53. The Auction was administered by the Monitor on October 3, 2025, via Microsoft Teams.

54. The Auction proceeded over several rounds. In each case, the applicable Qualified Party made an Overbid in each round and confirmed that the only change made in the Overbid was the cash consideration. All bids were received in the Auction on an open basis and both Qualified Parties were present for submission of each Overbid.

55. The Auction concluded with the Qualified Party other than the Stalking Horse Bidder confirming on the record that it did not wish to submit an Overbid in excess of the Stalking Horse Bidder's final Overbid.

56. Upon the conclusion of the bidding at the Auction, the Monitor announced that the bid submitted by the Stalking Horse Bidder was the highest consideration received and best Bid of the Auction (the "**Successful Bid**") and the other Qualified Bidder was the next highest and otherwise second-best Overbid (as defined in the Auction Procedures) of the Auction (the "**Back-Up Bid**"). Accordingly, Arbat Capital was selected as the Successful Bidder. The Monitor's Minutes of the Auction are attached hereto as **Confidential Appendix "A"**.

MONITOR'S VIEW ON THE SISP

57. The Monitor is of the view that the implementation of the SISP was fair and reasonable, given that:

(a) the SISP was (i) conducted in accordance with the SISP Order; (ii) well defined and transparent; (iii) consistent with similar Court approved sales processes for opportunities of this nature; and (iii) implemented and administered by the Monitor in order to maintain its integrity;

(b) the Monitor has both significant and recent experience with sales mandates for opportunities of this nature in insolvency proceedings;

(c) the one-stage process provided each Participating Bidder with sufficient time to complete their due diligence, as facilitated by the Monitor. The SISP was designed to ensure that Participating Bidders would have all the necessary information required to develop and submit an informed Bid within a highly competitive process, using the Amended Purchase Agreement as a template and reference tool;

(d) the Opportunity was widely marketed, canvassing parties across Canada, the United States, and internationally that included industry participants, competitors, private equity sponsors, strategic players, and parties who had expressed interest to the Monitor directly; and

(e) protective steps were put in place surrounding Participating Insiders potentially becoming a Potential Bidders or having direct involvement in the submission of a Qualified Bid.

58. The Monitor is of the view that the Proposed Transaction with the Successful Bidder is the result of good faith efforts and an extensive and transparent SISP that represented a reasonable balance between the Debtor's circumstances and the time required to successfully market and solicit Bids to complete a transaction of this nature. The SISP created competitive tension amongst Bidders throughout the process and the Auction, and the fact that the SISP was implemented and administered by the Monitor ensured the continuing efficacy and integrity of the process that resulted in the Proposed Transaction.

59. The Proposed Transaction represents the best executable offer received for Second Cup pursuant to the SISP.

THE PROPOSED TRANSACTION

60. An amendment has been agreed in principle the terms of an amendment to the Stalking Horse Agreement to reflect the updated purchase price that arose from the Auction. A copy of a draft, redacted Amending Agreement, with the final purchase price redacted, is attached hereto as **Appendix** "**I**" and a copy a draft unredacted Amending Agreement is attached hereto as **Confidential Appendix "B"**.

61. As set out below, the Monitor is seeking authorization to execute the Amending Agreement, on behalf of the Debtor. If the RVO is granted the Amending Agreement will be executed.

62. The Proposed Transaction contemplates the purchase of Second Cup as a going concern by the Successful Bidder, who is expected to continue investing in and operating the business. The Monitor understands that it is the Successful Bidder's intention that most if not all current staff will maintain employment under the Proposed Transaction. The target closing date ("**Target Closing Date**") for the Proposed Transaction is November 10, 2025 (the "**Closing**").

63. The Proposed Transaction contemplated by the Successful Bidder is structured in the form of the RVO and effected through a subscription agreement with the same terms as the Stalking Horse Agreement and with the quantum of the Successful Bid, pursuant to which all existing shares of Second Cup will be cancelled and the Successful Bidder will

subscribe for, and be issued, new common shares (the "**Purchased Shares**") in Second Cup. This will have the effect that upon Closing, the Successful Bidder will be the sole registered and beneficial owner of the Purchased Shares and Second Cup will be wholly owned, directly or indirectly, by the Successful Bidder free and clear of all Claims and Encumbrances (except for any Permitted Encumbrances and Retained Liabilities). The Excluded Assets and Excluded Liabilities (as will be submitted prior to Closing) will be vested out of Second Cup into a new company to be incorporated prior to Closing ("**ResidualCo.**").

64. The terms of the Amended Purchase Agreement are the same as the Stalking Horse Agreement save and except for the quantum of the Cash Payment and the Administrative Wind-down Amount as described below.

65. Pursuant to the Amended Purchase Agreement, among other things:

(a) the Successful Bidder will subscribe for the Purchased Shares for an amount equal to the Purchase Price (as defined herein), free and clear of any Claims and Encumbrances, except Retained Liabilities and Permitted Encumbrances.

(b) the Articles of Reorganization as defined in the Amended Purchase Agreement will be filed, which will have the effect of:

   i. Creating a new class of common shares of Second Cup; and

   ii. Providing for the redemption or cancellation of all issued and outstanding common shares and other equity interests of Second Cup, for no consideration on Closing.

(c) immediately after the issuance of the Purchased Shares and the redemption or cancellation of the existing Second Cup shares and equity interests, the Successful Bidder will become the sole shareholder of Second Cup;

(d) the Excluded Assets, Excluded Liabilities and Excluded Contracts will be removed from Second Cup and vest in ResidualCo., pursuant to the RVO. For certainty, the interests, obligations and payments relating to the Purchase Price will be transferred to ResidualCo. for eventual distribution to Second Cup's creditors by the Monitor pursuant to an order of the Court;

(e) the subscription to the Purchased Shares and cancellation of the existing Second Cup shares will be completed on an "as is, where is" basis with no representation or warranty thereon, subject only to the stipulations of the Amended Purchase Agreement and the RVO;

(f) all claims and encumbrances attached to the Excluded Assets will continue to attach to the Excluded Assets and will similarly be transferred to ResidualCo. and become obligations of ResidualCo.; and

(g) after Closing, ResidualCo., which will have more than $5 million in liabilities and be insolvent, would replace Second Cup as the Debtor in these CCAA Proceedings and Second Cup would exit the CCAA Proceedings.

Consideration Received Pursuant to Amended Purchase Agreement

66. The consideration included in the purchase price (“**Purchase Price**”) pursuant to the Proposed Transaction, the Amended Purchase Agreement and the terms of the RVO consists of:

(a) the balance of the DIP Facility, plus interest accrued through to and including the Closing Date, and any and all fees and expenses associated therewith will be a Retained Liability;

(b) the Secured Indebtedness, including principal and interest accrued through to and including the Closing Date will be a Retained Liability; and

(c) a closing cash payment, includes the Over-Bid Top-Up that arose from the Auction (the “**Closing Payment**”) paid to the Monitor to be used to fund (i) the Priority Payments; (ii) amounts owing as secured by the Administration Charge (iii) the costs incurred in connection with the administration and wind-down of ResidualCo, and (iv) distributions of the remaining portion in respect of accepted Claims pursuant to the Claims Identification Order.

67. The Implementation Steps outlined in the Amended Purchase Agreement, include certain actions to be taken by Second Cup and the Successful Bidder that ensure the Proposed Transaction proceeds in an efficient manner for the Successful Bidder. The Monitor has discussed these steps with its counsel, Second Cup and the Successful Bidder and understands the rationale for such steps, which are primarily to effect the Proposed Transaction in an efficient manner and not unreasonable in the circumstances. The Amended Purchase Agreement provides that such Implementation Steps can be modified as appropriate leading up to closing, upon consent of the Monitor.

Administrative Wind-down Amount

68. The Stalking Horse Agreement contemplated a $50,000 Administrative Wind-down Amount to be used to satisfy costs incurred by the Monitor and its professional advisors after Closing to: (a) administer ResidualCo and the Excluded Assets and Excluded Liabilities and (b) wind-down and/or dissolve ResidualCo.

69. This $50,000 estimate was premised on the assumption that ResidualCo. would be subject to a no-asset bankruptcy with minimal winddown activities required. However, as described below, given that ResidualCo. may have Claims to address, and there are excess proceeds generated from the Auction, the Monitor and Successful Bidder have agreed to adjust the quantum and terms of the Administrative Wind-down Amount. This adjustment will ensure there is sufficient funds for the Monitor to appropriately deal with the Claims of ResidualCo. and wind down the estate effectively.

70. The RVO and Amended Purchase Agreement provides that on Closing the Closing Payment will be paid to the Monitor, in trust and the Monitor shall use these funds:

(a) to pay the Priority Payments;

(b) to pay amounts owing as secured by the Administration Charge;

(c) the balance of which shall be used to:

- i. satisfy costs incurred by the Monitor and its professional advisors after Closing to:
  - a. administer ResidualCo and the Excluded Assets and Excluded Liabilities
  - b. wind-down and/or dissolve ResidualCo;
- ii. distribute remaining funds in respect of accepted Claims pursuant to the Claim Identification Order.

PROPOSED APPROVAL AND REVERSE VESTING ORDER

71. The Monitor is seeking approval from the Court of the Proposed Transaction, which is to be implemented through an RVO. As of the date of this Third Report, the Monitor has received no objection or communication from any creditors or stakeholders related to the proposed use of an RVO for the Proposed Transaction and such parties received notice

of the RVO structure on or around August 21, 2025, when the Applicant sought approval of the SISP Order.

72. The Monitor understands that an RVO is essentially similar to a more typical approval and vesting order, in that it provides the purchaser of assets from an insolvent entity the ability to obtain the debtor's interests in those assets "free and clear". However, an RVO varies from typical vesting orders by reason of the following:

(a) the purchaser becomes the sole shareholder of the debtor company;

(b) the debtor company retains its assets, including key contracts, capital structure, licenses, leases, and tax attributes;

(c) the liabilities not assumed by the purchaser are vested out and transferred, together with any excluded assets, into a ResidualCo. that takes the place of the Debtor in the insolvency proceeding; and

(d) the debtor company exits the CCAA Proceedings.

73. The proposed RVO in these CCAA Proceedings includes the approval of the Amended Purchase Agreement and the Proposed Transaction, as well as certain additional relief required to implement the Proposed Transaction. This additional relief includes, among other things:

(a) the RVO shall constitute the only authorization required by Second Cup and ResidualCo. to complete the Proposed Transaction and no further authorizations, approvals or filings will be required;

(b) ResidualCo. will be added as a respondent to the CCAA Proceedings and Second Cup will cease being a respondent. ResidualCo. will assume the Excluded Assets and Excluded Liabilities, which substantially exceed $5 million, and as a consequence thereof, ResidualCo. will be insolvent;

(c) due to the resignation of the President & Chief Executive Officer and the CRO's involvement in the Successful Bidder, an order granting the Monitor enhanced powers to close the Proposed Transaction and executing the Amending Agreement, on behalf of the Debtor;

(d) an order granting the Monitor enhanced powers with respect to ResidualCo. upon the filing of the Monitor's Closing Certificate (as defined below); and

(e) a release in favor (i) Alexey Golubovich, Maxim Lojevsky and Larissa Khomutova in their capacity as directors of the Debtor, (ii) the consultants, legal counsel, and advisors of the Debtor and ResidualCo. (iii) the Monitor and its legal counsel and their respective present and former directors, officers, partners, employees, and advisors and (iv) the CRO (each a "**Released Party**"), in each case in respect of claims taking place prior to Closing Time or relating to the Proposed Transaction or matters completed pursuant to the terms of the RVO.

74. As described below, the Monitor understands from the Debtor and the Successful Bidder that there are multiple franchise agreements and IP registrations across many jurisdictions which comprise the bulk of the Debtor's Business. While these agreements may permit assignment, there is uncertainty regarding enforcing the assignment of these agreements across multiple jurisdictions. As such, in order to preserve the critical intellectual property and agreements the Successful Bidder has structured the transaction as a reverse vesting order to ensure the agreements are maintained.

75. The Monitor understands that the proposed reverse vesting structure is necessary in the circumstances to achieve the benefits to the Debtor's stakeholders from the Proposed Transaction. The Monitor's view on the proposed RVO is outlined below.

MONITOR'S VIEW ON APPROPRIATENESS OF THE RVO

76. The Monitor understands that courts across the country caution the use of RVOs except in unusual or extraordinary circumstances, and not simply because it is more convenient for a purchaser.

77. The Monitor understands that RVOs have been approved in circumstances wherein, among other things:

(a) the debtor operated in multiple jurisdictions where the transfer of existing contracts would be practically impossible to transfer to a purchaser in an expeditious and certain manner. The RVO structure in these circumstances provides a timely and efficient resolution to this issue, such that the purchaser would not be exposed to the material risks, uncertainty delays and costs associated with the transfer of contracts that would otherwise make a transaction uneconomical or impossible to consummate;

(b) the debtor was the registrant or applicant of trademarks and copyrights in multiple jurisdictions; and

(c) no party would be materially prejudiced by the use of an RVO structure, relative to another means of completing a transaction.

78. Additionally, while the Debtor has not completed audited financial statements for several years, the Monitor expects that there are tax losses that can be carried forward and may remain available post Closing.

79. Outlined below are the Monitor's considerations in respect of whether the use of an RVO is appropriate for the Proposed Transaction.

Necessity and Characteristics of the RVO

80. The Successful Bidder has requested that the Proposed Transaction be consummated through an RVO, and both Bids received pursuant to the SISP contemplated an RVO as an integral part of any proposed transaction.

81. Second Cup provides operational support to its international franchise partners and is the holder of master franchise agreements with franchise partners across more than 20 different jurisdictions, including but not limited to Egypt, Kenya, Pakistan, Azerbaijan, Kuwait, Saudi Arabia, Cyprus, Lebanon, and India. Specifically, there are:

(a) master franchise agreements across multiple different jurisdictions allowing over 170 stores to operate globally; and

(b) trademarks and copyright registrations in 68 different jurisdictions globally.

(the “**Second Cup IP**”)

82. While the master franchise agreements may permit assignment, the transfer of these master franchise agreements and the transfer of the Second Cup IP to the Successful Bidder through a traditional vesting order would create material uncertainty around the timing, cost, and acceptance for each transfer across the various jurisdictions. This is especially heightened when these global jurisdictions operate under different legal regimes than in Ontario and will require significant professional fee expense.

83. The Monitor has been advised by the Successful Bidder that it would be required to retain legal counsel in each of the 68 different jurisdictions Second Cup operates or has registrations to effect a valid transfer and if a reverse vesting structure is not approved and

that the cost and uncertainty of this would likely render the Successful Bid unworkable/unviable. The cost of undertaking this effort would have resulted in the Successful Bidder making a lower Bid at the Auction and would result in significantly reduced recoveries for all stakeholders.

84. The Successful Bidder has further advised that the continued use of the master franchise agreements and retention of the Second Cup IP is critical to the ability of the Successful Bidder to continue operations in the ordinary course and maintain control of the Second Cup brand globally. Control of the Second Cup brand is required for Second Cup, as a franchisor, to operate. The uncertainty around timing, cost and acceptance of these contracts would materially impact the operations of Second Cup's business and the economics of the Proposed Transaction.

85. The Monitor understands that the assumption of the master franchise agreements with all franchise partners and the Second Cup IP are critical to the offer proposed by the Successful Bidder, the transfer of which would not be practicable in a timely or costly manner in a different transaction structure. The Monitor is of the view that no stakeholder will be materially disadvantaged by the reverse-vesting structure.

86. Given the Monitor's understanding of the market value of Second Cup derived from the SISP, the Monitor is of the view that the consideration provided in the Proposed Transaction reflects the value of the Debtor's intangible assets and key attributes which can only be preserved under the RVO structure. The Monitor notes that the completion of a transaction through an RVO structure was also contemplated by each of the Qualified Parties, as they recognized the RVO as the optimal structure to preserve Second Cup's key attributes, being Second Cup's intangible assets. The Monitor, in consultation with its legal counsel, considered if the above characteristics could be preserved through an alternative transaction structure, such as a traditional vesting order or plan of arrangement. The Monitor is of the view that an RVO would provide the timeliest, least costly, and most expedient for the transfer of the above characteristics of the Debtor to the Successful Bidder. The RVO structure also mitigates the operational risk associated with seeking to transfer such characteristics through a different transaction structure.

87. The Monitor therefore considers that an RVO is necessary, in these circumstances, to ensure that the Proposed Transaction be consummated on a timely and in the most expeditious manner for the benefit of Second Cup's stakeholders. By keeping all

intellectual property and contracts within the same legal entity, the RVO avoids disruption, ensures business continuity, and allows the Proposed Transaction to proceed efficiently.

Economic and Stakeholder Impact of the RVO Relative to Viable Alternatives

88. The Monitor is further of the view that the Proposed Transaction is the best offer received through the SISP and represents the market value of Second Cup after the conclusion of an extensive marketing process. A copy of the Back-Up Bid received is attached hereto as **Confidential Appendix "C"**.

89. Additionally, the Proposed Transaction through an RVO results in a return to unsecured creditors, the Monitor believes that a traditional approval and vesting order would not result in a different outcome to unsecured creditors.

90. The draft distribution analysis demonstrates that the Monitor expects there to be sufficient funds to go towards the secured creditors, priority payables, and other closing payments, with a surplus to unsecured creditors.

91. The Monitor believes that in any other transaction structure, a distribution to all stakeholders would be reduced by (a) additional professional fees (b) a decrease in the purchase price to account for the significant costs of addressing multiple jurisdictions and (c) additional expenses at the business level to account for a longer closing period which would require an increase to the DIP Facility.

92. Similarly, a plan of arrangement would require the support of the secured creditor and DIP Lender, who would likely be better off enforcing their security through a receivership to affect a sale of Second Cup rather than support a plan of arrangement that would likely require a larger portion of the sale proceeds to be paid to the unsecured creditors to secure their support for the plan of arrangement. The Monitor also understands that the additional time and expense required to formulate and implement a plan of arrangement would significantly impact the Successful Bidder's proposed timelines and would therefore create an additional and unacceptable closing risk, which in turn would reduce the Successful Bidder's proposed purchase price for Second Cup.

93. The Monitor is of the view that an RVO would provide an expeditious and efficient transfer of Second Cup's operations to the Successful Bidder. A smooth transition of control to the Successful Bidder will achieve the objectives of the CCAA by (i) preserving value of the Debtor's business, (ii) avoiding the economic hardship that would result to stakeholders

from a liquidation, and (iii) creating an opportunity for Second Cup's employees, suppliers, franchise partners, employees of the franchise partners across over 170 locations globally, and other stakeholders to realize the resultant future economic benefits accruing from the continuation of operations.

94. Given the factors outlined above, as well as the Monitor's understanding of how Participating Bidders considered these factors when assigning value to their Bids in the SISP, the Monitor is of the view that no stakeholder is worse off under the RVO structure than they would have been under any other viable structure for the sale of the Second Cup.

Notice of RVO Application to All Known Creditors

95. The Monitor intends to serve all known creditors, including unsecured creditors and shareholders with this Third Report and the associated motion materials as soon as practical after service of the motion materials, thereby providing reasonable notice prior to the return date of the motion.

96. The Monitor will also publish this Third Report, and all other relevant application materials to its website, www.DoaneGrantThornton.ca/SecondCup, as soon as practical after service of the motion materials.

Considerations as Related Party Transaction

97. Arbat Capital, as the Successful Bidder is a "related person" under the CCAA since it is person who directly or indirectly controls the Debtor.

98. As such, in accordance with Section 36 of the CCAA the Monitor has considered if (a) good faith efforts were made to sell or otherwise dispose of the assets to persons who are not related to the company; and (b) the consideration to be received is superior to the consideration that would be received under any other offer made in accordance with the process leading to the proposed sale or disposition.

99. As described above a robust and fulsome sale process was conducted to sell the Debtor's asset and business to parties not related to the Debtor. Many Potential Bidders were contacted which were not related to the Debtor, in fact, the second Qualified Bid who participated in the Auction, was not a related person under the CCAA. Furthermore, a competitive bidding process and Auction over several rounds were completed to ensure

the highest possible consideration could be obtained which is clear from the increased purchase price as a result of the Auction.

Conclusion: Monitor's View on Appropriateness of RVO

100. The Monitor is of the view that, in consideration of the factors outlined above, the RVO contemplated by the Proposed Transaction is fair and reasonable in the circumstances. As at the dated of this Third Report, the Monitor is not aware of any stakeholder who has opposed the RVO structure and the Proposed Transaction.

101. The Monitor considers there to be significant benefits to using a reverse vesting order structure as compared to a traditional asset sale, or a plan of arrangement. The RVO structure provides an economic result at least as favourable as any other viable alternative and significantly reduces costs to the estate.

102. Considering the factors above and the Monitor's consideration to factors set out in section 36(3) of the CCAA, the Monitor supports the Proposed Transaction and its RVO structure.

PROJECTED IMPACT OF THE PROPOSED TRANSACTION ON CREDITORS

103. To understand the expected impact of the Proposed Transaction on Second Cup's creditors, the Monitor has drafted an illustrative analysis (the "**Proposed Transaction Waterfall**"). This analysis demonstrates that the Proposed Transaction, which in the Monitor's view, is the best executable offer received pursuant to the SISP, is expected to result in a minimal distribution to unsecured creditors. The Proposed Transaction Waterfall has been attached hereto as **Confidential Appendix "D"**.

104. The Monitor notes that the Proposed Transaction Waterfall is based on the claims positively adjudicated in the Claims Identification Process and do not include the Claims subject to the Notices of Dispute nor costs to litigate the Notices of Dispute. The Purchase Price in the Proposed Transaction consists solely of cash and will be paid in full on Closing.

Releases

The proposed RVO includes releases in favour of:

(a) the consultants, and other advisors of the Debtor and ResidualCo.;

(b) the directors, officers, employees, consultants, legal counsel and other advisors to ResidualCo.;

(c) the Monitor and its legal counsel and respective current directors, officers, partners, employees, consultants, and advisors;

(d) Alexey Golubovich, Maxim Lojevsky, and Larissa Khomutova in their capacities as directors of the Debtor (the "**Released Directors**"); and

(e) the CRO;

105. The full scope of the release provision is set out in the proposed RVO and should be read in conjunction with this Third Report.

106. The Released Parties shall not be released from any claims for fraud or willful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

107. The Releases in favour of the Released Parties are being sought in order to achieve certainty and finality for the Released Parties in the most efficient and appropriate manner given the circumstances.

108. The Released Parties made significant and material contributions in connection with the Debtor's efforts to address its financial difficulties, the pre-filing process, CCAA Proceedings, DIP Facility and negotiation of the Amended Purchase Agreement and the Proposed Transaction, which provide for a going concern solution for the Debtor's business and represents the best outcome reasonably available to Debtor in the circumstances.

109. The Monitor understands that the Released Parties will also be critical to implementing the Proposed Transaction, if approved. As set out at paragraph 87 of the First Golubovich Affidavit, the Released Directors were unaware of the unpaid source deductions until February 2025. The Released Directors elected to remain involved in the Debtor and attempt to "right the ship" rather than resign immediately upon learning of the Debtors' significant liability.

110. The Monitor understands, the Released Directors are all involved in the Proposed Transaction and are therefore contributing to the repayment of significant CRA amounts owing as part of the Purchase Price which would be a liability of all directors. The Released Directors also worked to get the Proposed Transaction together and to ensure that it will result in some recovery to the Company's unsecured creditors.

111. During these CCAA Proceedings, many of the Released Parties were a necessary part of the successful restructuring. For example, the CRO stepped into a role to provide a stable

and independent monitoring of the Debtor's Business and the other Released Directors remained in place despite the increase in risk and scrutiny due to the insolvency proceedings. The CCAA Proceedings resulted in the Proposed Transaction, which represents a going concern outcome where all of Debtor's stakeholders including across multiple jurisdictions.

112. The Amended Purchase Agreement contemplates that the RVO include a release for all of the Debtor's consultants and other advisors, the CRO, the Monitor and its counsel. The Monitor has been advised by the Successful Bidder that the release for the Released Parties is critical for the Successful Bidder.

113. The Monitor is of the view that in the context of these CCAA Proceedings, each Released Party has contributed to the Proposed Transaction and the success of these CCAA Proceedings. Furthermore, it is the Monitor's understanding, in consultation with its counsel, that while the circumstances of this CCAA proceeding is somewhat unique, similar releases have been granted in other CCAA proceedings that contemplate a similar proposed transaction. Accordingly, the Monitor is of the view that the release provisions included in the RVO are reasonable and appropriate in the circumstances.

ENHANCED POWERS OF THE MONITOR

114. The RVO provides the Monitor with enhanced powers over Second Cup in order to enact the Proposed Transaction. As noted in this Third Report, the Second Cup President & Chief Executive Officer resigned effective September 12, 2025 and the CRO is participating in the Transaction. Accordingly, in the absence of someone at the Debtor to close the Transaction, the Monitor is seeking expanded authority to complete the Proposed Transaction on behalf of the Debtor.

115. The Monitor is of the view that providing it with the authority, powers, and protections set out in the draft Ancillary Order will facilitate the efficient and successful conclusion of these CCAA Proceedings for the benefit of stakeholders, by way of completing Proposed Transaction, including by executing the Amended Purchase Agreement.

116. The proposed RVO provides the Monitor be granted enhanced powers over ResidualCo, upon filing of the Monitor's Closing Certificate.

117. ResidualCo. will have no employees or directors at the time of filing Monitor's Closing Certificate by the Monitor. Accordingly, the RVO allows the Monitor to act on behalf of

ResidualCo. including with respect to, among other things, applying to this Court for an Order to distribute the net proceeds of sale from the Proposed Transaction to Second Cup's creditors in accordance with their relative order of priority. The Monitor would also be empowered to take the appropriate actions required, or that it deems necessary regarding the ongoing administration of the estate, including:

(a) the subsequent distribution to creditors; and, if necessary

(b) assigning ResidualCo. into bankruptcy if required or desirable in order to wind up the estate.

SEALING ORDER

118. The Monitor is requesting in the RVO to seal the Confidential Appendices to this Third Report, until the earlier of the closing of the Transaction, if approved or further order of the Court.

119. The Monitor's request for this relief is reasonable and necessary in the circumstances for the following reasons:

(a) the information in the Confidential Appendices is limited to the purchase price under the Amended Purchase Agreement;

(b) the public disclosure of the redacted information risks negatively impacting recoveries under further sale efforts if the Proposed Transaction and Back-Up Bid does not close. Sealing this information is beneficial and necessary to maximize and preserve the value of the Property and the Business of the Debtor and ensures the integrity of the SISP is maintained;

(c) the proposed sealing relief is limited to the earlier of the closing of the Proposed Transaction or further order of the Court, which is consistent with past sealing relief granted by this Court in proceedings of this nature; and

(d) the benefits of sealing the redacted information outweighs the deleterious effects of not doing so in the circumstances.

CASH FLOW FORECAST AND THE DEBTORS' RECEIPTS AND DISBURSEMENTS

120. As reported in the Second Report, the Debtor and the CRO, with assistance from the Monitor, prepared a revised and extended 13-Week Cash Flow (the "**Revised Cash Flow**"). The Revised Cash Flow was prepared under the same Probable and Hypothetical

Assumptions as the 13-Week Cash Flow and that the Debtor's franchise operations and collections would continue in the ordinary course.

121. The following table summarizes the Debtor's receipts and disbursements over the first 21 weeks of the Revised Extended Cash Flow Period, along with variances compared to Week 14 to Week 21 of the Revised Cash Flow included with the Second Report:

The Second Cup Coffee Company Inc. **Budget to Actual - Variance Report** **For the Period Ending October 11, 2025** CAD $000	**Week 1-13 (Actual) + Week 14-21 (Forecast)**	**Actual (Week 1-21)**	**Variance (Week 14-21)**
Cash Receipts			
Franchise Collections	$123,595	$147,342	$23,747
A/R Collections	$191,902	$92,407	$(99,495)
Miscellaneous Receipts	$1,936	$1,940	$4
Total Cash Receipts	**$317,432**	**$241,689**	**$(75,743)**
Cash Disbursements			
Operational Stability Costs	$101,445	$103,079	$1,634
Labour	$314,515	$292,624	$(21,891)
Leases	$51,274	$52,782	$1,507
Operating Expenses & Purchases	$302,048	$328,273	$26,225
Total Cash Disbursements	**$769,281**	**$776,757**	**$7,476**
Total Financing Disbursements	$44,426	$21,172	$(23,254)
Total Professional Fees	$783,998	$629,633	$(154,366)
Total Cash Disbursements	**$1,597,706**	**$1,427,562**	**$(170,144)**
Net Cash Flows	**$(1,280,274)**	**$(1,185,873)**	**$94,401**
Cash from Interim Financing			
DIP Financing	$1,300,000	$1,293,914	$(6,086)
Opening Cash Balance	$1,432	$1,432	$0
Closing Cash Balance	**$21,158**	**$109,473**	**$88,315**

122. The following information details the Debtor's actual receipts and disbursements, along with the notable variances from the Revised Cash Flow over the course of the eight-week period from Week 14 to Week 21 of the Revised Extended Cash Flow Period (the "**Third Report Period**"):

(a) DIP Financing – The receipt of DIP Financing continued to be delayed over the course of the Third Report Period. The Monitor notes that payments expected to be received in Weeks 16 and 19 were not received until Week 21. As is discussed below, the delay in receiving the DIP Financing has contributed to some of the other variance items. As described in the Second Report, one of the primary drivers for the delay in providing the DIP Financing is that the DIP Lender's bank account is in Cyprus, and as a result, wire transfers can take up to five business days or more to be received in the Monitor's trust account. The DIP Facility is expected to be fully drawn upon by the end of these CCAA Proceedings.

(b) Franchise and Accounts Receivable Collections – Accounts receivable arrears collections were lower than what was projected in the Revised Cash Flow. While certain franchisees have continued to make payments towards their balances owing, other franchisees have not remitted payment due to the franchise partners experiencing banking delays which have pushed back certain arrears payments. While collections on accounts receivable arrears have continued to be lower than expected, the current franchise collections have improved since the payments to Critical Suppliers and new purchase orders have been made. The Debtor anticipates that catchup payments on the delayed arrears collections will be received in future weeks.

(c) Operational Stability Costs – There have been minimal Operational Stability Costs incurred since the Second Report and the variance has, accordingly, remained largely unchanged.

(d) Labour – Labour costs were approximately $22,000 lower than projected over the Third Report Period due the Chief Executive Officer resigning in September, which has had the effect of lowering payroll, source deductions, and employee benefits.

(e) Operating Expenses & Purchases – The increase to the variance in Operating Expenses & Purchases was due to an additional purchase order placed by a franchise partner which was not captured in the Revised Cash Flow. The resulting additional payments were critical to maintain the operations of the Debtor and to provide the necessary support to the franchisee in question.

(f) Other Operating Expenses & Purchases – Other operational expenses in Weeks 14 to Week 21 were generally consistent with the budget, except for travel costs, which were higher than budgeted due to a contractor business trip occurring which was not captured in the Revised Cash Flow.

(g) Financing Disbursements – Interest payments owing in respect of the BMO line of credit have been maintained post-filing. The variance in financing disbursements is attributed to no interest payments being made on the DIP Facility, due to interest accruing. The accrued interest on the DIP Facility will be an Assumed Liability pursuant to the Amended Purchase Agreement.

(h) Professional Fees – As a result of the delays in receiving the DIP Financing, payment of certain professional fees have been delayed to later weeks. In the absence of the forecasted collections and delays in receiving the DIP Financing, critical operational disbursements were prioritized over professional fees, with approval from the Monitor. This variance is expected to be reversed in future weeks as the remaining DIP Financing and additional collections are received.

123. Considering the above variances, the Debtor and the CRO, with the assistance of the Monitor, prepared an amended Revised Cash Flow (the “**October 20 Cash Flow**”). The October 20 Cash Flow was prepared under the same Probable and Hypothetical Assumptions.

124. Below is a summary of the October 20 Cash Flow, reflecting the actual results from May 22, 2025 to October 11, 2025 and the projected receipts and disbursements over the revised extended period from October 12, 2025 to November 10, 2025:

October 20 Cash Flow Summary For the week beginning In CAD	Actuals Week 1-21	Forecast Week 14-25	TOTAL
Cash Receipts			
Franchise Collections	147,342	-	147,342
A/R Collections	92,407	53,000	145,407
Miscellaneous Receipts	1,940	200	2,140
Total Cash Receipts	**241,689**	**53,200**	**294,889**
Cash Disbursements			
Operational Stability Costs	103,079	-	103,079
Labour	292,624	39,172	331,796
Leases	52,782	10,500	63,282
Operational	328,273	14,500	342,773
Total Financing Disbursements	21,172	4,300	25,472
Professional Fees	629,633	299,365	928,998
Total Cash Disbursements	**1,427,562**	**367,837**	**1,795,399**
Net Cash Flows	**(1,185,873)**	**(314,637)**	**(1,500,511)**
DIP Financing	**1,293,914**	**206,086**	**1,500,000**
Opening Cash Balance	1,432	109,473	1,432
Closing Cash Balance	109,473	921	921

125. The October 20 Cash Flow is attached hereto as **Appendix "J"**.

126. The Monitor has reviewed the October 20 Cash Flow to the standard required of a Court-appointed monitor by s. 23(1)(b) of the CCAA. The Monitor's review of the October 20 Cash Flow consisted of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by Management and the CRO of the Debtor. 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 October 20 Cash Flow. The Monitor has also reviewed the support provided by the Debtor for the Probable and Hypothetical Assumptions and the preparation and presentation of the October 20 Cash Flow. 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 October 20 Cash Flow;

(b) as at the date of this Third Report, the Probable and Hypothetical Assumptions developed by Management are not suitably supported and consistent with the Debtor's plans or do not provide a reasonable basis for the October 20 Cash Flow, given the Probable and Hypothetical Assumptions; or

(c) the October 20 Cash Flow does not reflect the Probable and Hypothetical Assumptions.

127. The Monitor makes the following general comments on the adjustments made to the Revised Cash Flow in the preparation of the October 20 Cash Flow:

(a) the Revised Extended Cash Flow Period has been amended to November 8, 2025, to account for the estimated timeline for the Closing of the Proposed Transaction, if approved by the Court;

(b) collections on pre-filing accounts receivable have been adjusted to account for the variances noted above;

(c) payments towards future purchase orders have been eliminated in the October 20 Cash Flow. Considering the volume of purchase orders already made, the Debtor is not expecting any further supplier costs prior to the Closing Date;

(d) the October 20 Cash Flow has adjusted the timing and amounts of certain other disbursements to be more in line with the historical results; and

(e) accounted for the impact of the Proposed Transaction and the transition of the CCAA Proceedings to ResidualCo.

128. Since the October 20 Cash Flow 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 October 20 Cash Flow 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 Third Report or relied upon by the Monitor in preparing this Third Report.

129. The October 20 Cash Flow has been prepared solely for the purposes described on the face of the October 20 Cash Flow and readers are cautioned that it may not be appropriate for other purposes.

130. Additionally, the Monitor has prepared a cash flow forecast that illustrates the anticipated cash flow requirements post-Closing of the Proposed Transaction (the "**ResidualCo. Cash Flow**"). A copy of the ResidualCo. Cash Flow is attached hereto as **Confidential Appendix "E"**.

131. The ResidualCo. Cash Flow illustrates the Purchase Price to be received by the Monitor on Closing, distributions to priority claimants, secured creditors, allowed claimants positively adjudicated by the Monitor in the Claims Process and professional fees to complete the CCAA Proceedings. Since the ResidualCo. Cash Flow includes the Purchase Price; the Monitor is seeking to seal the ResidualCo. Cash Flow until the closing of the proposed Transaction or further order of the Court.

132. The ResidualCo. Cash Flow demonstrated that there is sufficient cash flow up to the proposed extension of the Stay Period (as discussed below).

EXTENSION OF THE STAY PERIOD

133. As explained in the First Report and the Second Report, Second Cup is relying on funding from the DIP Lender over the course of the short and medium term to inject capital for the purpose of continuing operations. Additionally, considering the timeline of the Proposed Transaction, and the Debtor's cash flow needs prior to and post-Closing, the Monitor is seeking the approval of the Court that the Stay Period be extended to January 31, 2026.

The Monitor is of the view that no creditor would face material prejudice should this Court grant such request.

FEES AND DISBURSEMENTS OF THE MONITOR AND COUNSEL

134. Pursuant to paragraph 33 of the ARIO, the Monitor and its legal counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred by the Debtor as part of the costs of the CCAA Proceedings. Pursuant to paragraph 34 of the ARIO, the Monitor and its counsel shall pass their accounts from time to time.

135. The Monitor is seeking to have its fees and disbursements up to September 30, 2025 and the fees and disbursement of its counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), up to September 30, 2025 approved by the Court. The Monitor and Cassels have maintained detailed records of their professional time and costs.

136. The total fees and disbursements for the Monitor from inception of this file to September 30, 2025, were $343,602.89, plus HST of $44,668.37, for a total of $388,271.26.

137. The time spent by the Monitor is more particularly described in the Affidavit of Jason Kanji sworn October 20, 2025 (the "**Kanji Affidavit**"), which is attached hereto as **Appendix "K"** and contains copies of invoices that set out the services provided during this period.

138. The total fees and disbursements of Cassels from inception of this file to September 30, 2025, amounted to $97,188.34, plus HST of $12,634.49, for a total of $109,822.83.

139. The time spent by Cassels is more particularly described in the Affidavit of Natalie Levine sworn October 20, 2025, which is attached hereto as **Appendix "L"** and contains, among other things, copies of invoices that set out the services provided during this period.

140. The Monitor is of the view that the fees and those of its legal counsel are reasonable, commensurate with the work performed to date, and reflect the complexity of these CCAA Proceedings as communicated to the Court through its reports to date and the significant amount of work undertaken by the Monitor and its legal counsel to facilitate the Claims Identification Process and SISP on behalf of Second Cup and its stakeholders. The Monitor respectfully requests that its fees and disbursements, and those of Cassels, be approved.

CONCLUSION

141. Since the date of the Second Report, the Monitor is of the opinion that Second Cup has continued to act in good faith and with due diligence in respect of exploring various options which would enable it to restructure its business and operations.

142. As at the date of this Third Report, nothing has come to the attention of the Monitor that would require the Monitor to report that a material adverse change has occurred or that these CCAA Proceedings should be changed to proceedings under the *Bankruptcy and Insolvency Act*, pursuant to sections 23(1)(d)(i) and 23(1)(h) of the CCAA, respectively.

143. For the reasons set out in this Third Report, the Monitor recommends that this Court make the Orders granting the requested relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 20th day of October 2025.

GRANT THORNTON LIMITED,
SOLELY IN ITS CAPACITY AS COURT-APPOINTED MONITOR
OF THE SECOND CUP COFFEE COMPANY INC., AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

DocuSigned by:
Jason Kanji
5B43CCA3D954459...

Per: ______________________________
Jason Kanji, CPA, CA, CIRP, LIT
Vice-President

Appendix “F”

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

SUPPLEMENT TO THIRD REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED IN ITS CAPACITY AS COURT-APPOINTED MONITOR

October 29, 2025

Doane Grant Thornton

Grant Thornton Limited,
200 King Street West, Floor 11,
Toronto, ON M5H 3T4

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APPENDIX

Appendix A – Statement of Claim

INTRODUCTION[1]

1. On May 22, 2025 the Superior Court of Justice (Commercial List) in Ontario granted an initial order (as amended and restated on May 29, 2025) (the "**ARIO**") under the *Companies' Creditors Arrangement Act* in respect of The Second Cup Coffee Company Inc. (the "**Debtor**") and appointed Grant Thornton Limited as monitor of the Debtor (in such capacity, the "**Monitor**").

2. On October 20, 2025, the Monitor served its third report to the Court (the "**Third Report**"). The purpose of the Third Report was, among other things, to provide the Monitor's views on a proposed reverse vesting order ("**RVO**") approving the Amended Purchase Agreement with Arbat Capital Group Ltd. ("**Arbat Capital**"). The Monitor conducted the Court-approved SISP (including an auction) and the Amended Purchase Agreement is the successful bid from that sale process.

3. This report (the "**Supplemental Third Report**") is supplementary to and should be read in conjunction with the Third Report furthermore, this Supplemental Third Report is subject to the same terms of reference and disclaimers as set out in the Third Report in all respects.

PURPOSE OF THE SUPPLEMENTAL THIRD REPORT

4. The purpose of this Supplemental Third report is to provide additional information to the Court regarding developments that occurred after the filing of the Third Report in respect of the relief being sought and the issuance of the RVO and Ancillary Order.

RECEIPT OF STAMENT OF CLAIM

5. On October 23, 2025, Necpal Litigation, counsel to Mr. Jim Ragas ("**Ragas**"), ("**Ragas' Counsel**"), contacted Cassels Brock & Blackwell LLP, counsel to the Monitor, (the "**Monitor's Counsel**") advising that on September 30, 2025, his client, Ragas, was served with a statement of claim by the shareholders and directors of the Debtor, including Arbat Capital (collectively, the "**Plaintiffs**").

---

[1] All capitalized terms used herein but not defined shall have the meanings given to them in the Third Report.

6. On October 23, 2025, Ragas' Counsel sent a copy of the statement of claim dated September 25, 2025, and issued on September 29, 2025, (the "**Statement of Claim**") to the Monitor's Counsel. Neither the Monitor nor the Monitor's Counsel received the Statement of Claim until this time.

7. A copy of the Statement of Claim is attached hereto as **Appendix "A"** with the name of the Potential Bidder (as defined below) redacted in order to ensure the Monitor is complying with its obligations under the applicable NDA.

8. On October 23, 2025, the Monitor's Counsel promptly reached out to Miller Thomson LLP, counsel to the Plaintiffs (the "**Plaintiffs' Counsel**") to obtain more information regarding the Statement of Claim.

9. On October 24, 2025, the Monitor along with the Monitor's Counsel spoke to the Plaintiffs' Counsel. The Plaintiffs' Counsel advised the Monitor and Monitor's Counsel that in their view the Statement of Claim involved a shareholder dispute and the timing of the issuance and service of the Statement of Claim as it related to the SISP Bid Deadline, being September 30, 2025, was inadvertent.

10. The Monitor and the Monitor's Counsel have reviewed the Statement of Claim and make the following observations:

    (a) The Statement of Claim names the Debtor as a defendant but does not allege any wrongdoing by the Debtor.

    (b) The Statement of Claim explicitly states that the Debtor is named as a defendant "as a necessary party only".

    (c) The ARIO provides a stay of proceedings in respect of commencing any proceedings in respect of the Debtor. No request was made of the Monitor to lift the stay of proceedings in connection with the Statement of Claim.

    (d) The Statement of Claim makes various allegations against Ragas in his capacity as director and CEO of the Debtor. The Statement of Claim also references the oppression action initiated by Ragas on February 24, 2025, against the Plaintiffs (the "**Oppression Action**").

    (e) The Statement of Claim alleges, among other things, that upon his resignation as CEO in September 2025, Ragas, became employed by a potential bidder in the SISP to assist such potential bidder with a bid (the "**Potential Bidder**").

(f) The Statement of Claim alleges that Ragas contacted international partners and that the Plaintiffs "believe" that Ragas will assist the Potential Bidder in acquiring the Debtor by using information that Ragas holds due to his former position with the Debtor and that he will otherwise act in breach of his fiduciary duties to the Debtor.

11. The Bid Deadline of the SISP was September 30, 2025, at 5:00 PM EST. The Potential Bidder did sign an NDA and conducted due diligence during the SISP. The Monitor had numerous communications with the Potential Bidder during the due diligence period and the SISP.

12. Neither Ragas nor the Potential Bidder submitted a bid in the SISP.

13. On September 30, 2025, approximately 30 minutes after the Bid Deadline, the Monitor contacted the Potential Bidder to confirm that they had not submitted a Bid in the SISP, which is typical practice for the Monitor when it conducts sales processes since often a bid may be submitted late or there may be a delay in the Monitor receiving the bid.

14. The Potential Bidder advised the Monitor that it indeed had not submitted a Bid in the SISP as it was no longer interested.

15. The Monitor is not aware of the Potential Bidder having received a copy of the Statement of Claim.

16. As mentioned above, the Monitor nor the Monitor's Counsel were aware of the Statement of Claim before October 23, 2025, and the Monitor did not advise the Debtor or the Plaintiffs, or their respective counsel of the Potential Bidder's involvement in the SISP. The Monitor conducted the SISP in accordance with the SISP Order complied with all of its obligations.

17. On October 27, 2025, Ragas' Counsel and the Plaintiffs Counsel advised the Monitor's Counsel that the parties had reached an agreement on terms of settlement regarding the Oppression Action and the Statement of Claim.

REVISED RELEASED PARTIES

Ragas

18. On October 23, 2025, Ragas's Counsel indicated to Monitor's Counsel that his client would be seeking an amendment to the RVO such that Ragas would be included as a Released Party under the RVO.

19. On October 29,2025 counsel for Ragas served a Motion Record including an Affidavit of Ragas sworn October 28, 2025 (the "**Ragas Affidavit**") and a revised RVO proposing to add Ragas as a Released Party.

20. The Monitor and the Monitor's Counsel have reviewed the Ragas Affidavit and advise that in respect of paragraphs 18, 21 and 24 of the Ragas Affidavit and Exhibits "C", "D" and "F" thereto, that the Monitor notes that Ragas responded to the information requests from the Monitor which are included in those Exhibits.

21. Notwithstanding, the Monitor was in regular contact with the CRO during the CCAA Proceedings, regarding all material aspects of the Debtor operations, financials and cashflow matters. The Monitor's contact with Ragas was limited throughout the CCAA Proceedings.

22. As described in the Third Report the Monitor received Ragas' disclosure as a Participating Insider.

23. The Plaintiffs Counsel and Ragas Counsel have advised that the inclusion of Ragas as a Released Party is part of the settlement between the parties and that the Plaintiffs do not oppose such relief.

Claims Process and D&O Claims

24. To clarify from the Monitor's Third Report, the D&O Claims filed in the Claims Process will not be released in the Release included in the RVO and will be dealt with under the Claims Process.

UPDATE ON MONITORS RECOMMENDATIONS

25. The Monitor, for the reasons set out in its Third Report, continues to support the approval of the RVO and Ancillary Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 29th day of October 2025.

GRANT THORNTON LIMITED,
SOLELY IN ITS CAPACITY AS COURT-APPOINTED MONITOR
OF THE SECOND CUP COFFEE COMPANY INC., AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

Per: Jason Kanji
Jason Kanji, CPA, CA, CIRP, LIT
Vice-President

Appendix “G”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE 30TH
	)	
JUSTICE MYERS	)	DAY OF OCTOBER, 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

ORDER

(APPROVAL AND REVERSE VESTING ORDER)

THIS MOTION, made by Grant Thornton Limited ("**GTL**"), in its capacity as the Court-appointed monitor in these proceedings (in such capacity, the "**Monitor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things: (a) approving the stalking horse subscription agreement dated as of August 15, 2025 as amended by the Amending Agreement No. 1 to the Stalking Hose Subscription Agreement, effective October 30, 2025 (the "**Amending Agreement**", and collectively, the "**Amended Purchase Agreement**") attached a **Appendices "I"** to the Third Report of the Monitor dated October 20, 2025 (the "**Third Report**"), entered into between The Second Cup Coffee Company Inc. (the "**Debtor**"), as vendor, and Arbat Capital Group Ltd. (the "**Purchaser**"), as purchaser, and the Transaction contemplated therein; (b) adding 1001400034

Ontario Inc. (“**1001400034 Ontario Inc**”) as a Respondent to these CCAA proceedings (“**CCAA Proceedings**”) and removing the Debtor as the respondent in these CCAA proceedings; (c) transferring and vesting all of the right, title, and interest of the Debtor in and to the Excluded Assets and Excluded Liabilities (each as defined in the Amended Purchase Agreement) to and in ResidualCo.; (d) approving the release of the Released Parties (as defined below); (e) authorizing and directing the Debtor to file the Articles of Reorganization; (f) authorizing and directing the Debtor to issue the Purchased Shares, and vesting in and to the Purchaser, all right, title, and interest in and to the Purchased Shares, free and clear of any Claims and Encumbrances (as defined below), other than the Permitted Encumbrances; and (g) terminating and cancelling all of the Existing Shares of the Debtor, for no consideration, was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the Motion Record of the Monitor, including the Third Report dated October 20, 2025 (the “**Third Report**”), the Supplement to the Monitor’s Third Report dated October 29, 2025 (the “**Supplement Report**”), and on hearing the submissions of counsel for the Monitor, counsel for the Applicant and the Purchaser, and counsel for those other parties appearing as indicated by the Participant Information Form, no one appearing for any other party, although duly served as appears from the affidavits of service of Joshua Gordon dated October 20, 2025, and October 28, 2025 and October 29, 2025 as filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of motion, the Third Report and the Motion Record is hereby abridged and validated so that this Motion is properly returnable on today’s date and hereby dispenses with further service thereof.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings given to them in the Amended Purchase Agreement or the Third Report.

APPROVAL AND VESTING

3. **THIS COURT ORDERS** that without derogating in any way from the relief contained in any order granted in these CCAA proceedings including the SISP Approval Order of this Court dated August 21, 2025, the Amended Purchase Agreement and the Transaction, be and are hereby approved and that the execution of the Amended Purchase Agreement by the Debtor is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary, with the approval of the Monitor. The Debtor and the Purchaser are hereby authorized and directed to perform their obligations under the Amended Purchase Agreement and to take all such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction in the sequence provided for in the Amended Purchase Agreement, including, but not limited to: (i) the issuance of the Purchased Shares to the Purchaser; and (ii) the cancellation, or redemption, of the Existing Shares for no consideration, with such minor alterations, changes, amendments, deletions, or additions thereto, as may be agreed to by the Debtor and the Purchaser, with the consent of the Monitor.

4. **THIS COURT ORDERS** that, notwithstanding any provision hereof, the closing of the Transaction shall be deemed to occur in the manner, order, and sequence set out in the Amended Purchase Agreement, including in accordance with the Implementation Steps, with such alterations, changes, or amendments as may be agreed to by the Debtor and the Purchaser, with the consent of the Monitor.

5. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Debtor and the Chief Restructuring Officer ("**CRO**") to proceed with the Transaction and the Implementation Steps, and that no shareholder, director, regulatory, securities, or other approval shall be required in connection therewith, save for those authorizations expressly contemplated in the Amended Purchase Agreement, including, without limitation, as necessary to approve or file the Articles of Reorganization and any other articles of amendment, amalgamation, continuance or reorganization in respect of the Debtor or authorize and effect the cancellation of the Existing Shares.

6. **THIS COURT ORDERS** that upon the delivery of the Monitor's certificate substantially in the form attached as Schedule "A" hereto (the "**Monitor's Closing Certificate**") to the Purchaser (the time of such delivery being the "**Closing Time**"), the following shall occur and shall be deemed to have occurred at the Closing Time, all in accordance with the Implementation Steps set out in the Amended Purchase Agreement and the matters contemplated therein, in the following sequence:

(a) first, ResidualCo. shall be added to these CCAA Proceedings as a Respondent;

(b) second, all Employees designated by the Purchaser as Terminated Employees, if any, shall be deemed to be terminated;

(c) third, all of the Debtor's right, title, and interest in and to the Excluded Assets shall transfer to, and vest absolutely and exclusively in, ResidualCo. with all applicable Claims and Encumbrances (as defined herein) continuing to attach to the Excluded Assets, including, for certainty, the Proceeds (as defined below), if any, in accordance with paragraph 11 of this Order, in either case, with the same nature and priority as they had immediately prior to the transfer;

(d) fourth, all Excluded Liabilities shall be channeled to, assumed by, and vested absolutely and exclusively in ResidualCo., such that the Excluded Liabilities shall become the obligations of ResidualCo., and shall no longer be obligations of the Debtor, and all of the Retained Assets including the Debtor's respective assets, licenses, undertakings, and properties of every nature and kind whatsoever and wherever situate, including property held in trust for the Debtor shall be and are hereby forever released and discharged from such Excluded Liabilities and all related Claims and all Encumbrances affecting or relating to the Retained Assets are to be expunged and discharged as against the Retained Assets;

(e) fifth, the Articles of Reorganization shall be filed with the applicable Governmental Authority, and shall be deemed to have been filed;

(f) sixth, in consideration for the Purchase Price, the Debtor shall issue the Purchased Shares to the Purchaser, and all of the right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, and the Retained Assets, other than the Excluded Assets, will be retained by the Debtor, free and clear of and from any and all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, or due or not yet due, in law or equity, and whether based in statute or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO, the SISP Order or any other Order of the Court in these CCAA Proceedings, and (ii) all charges, security interests, or claims evidenced by registrations pursuant to the *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended, or any other real or personal property registry system (all of which are collectively referred to as "**Encumbrances**", which term shall not include the Permitted Encumbrances and as listed on Schedule "B" hereto);

(g) seventh, all Existing Shares of the Debtor outstanding prior to the issuance of the Purchased Shares, including all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements, or commitments of any character whatsoever that are held by any Person (as defined below) which are convertible or exchangeable for any securities of the Debtor or which require the issuance, sale, or transfer by the Debtor, of any shares or other securities of the Debtor and/or the share capital of the Debtor, or otherwise relating thereto, shall be deemed terminated and cancelled without consideration, and the only equity interests of the Debtor that shall remain shall be the Purchased Shares;

(h) eighth, the Closing Payment shall be released to the Monitor and the Monitor shall be authorized and directed to pay, and shall pay, on behalf of the Debtor the amounts as described in paragraph 24 hereof;

(i) ninth, the "Closing" shall be deemed to have occurred;

(j) tenth, any and all Liabilities arising from or relating to: (i) the transactions noted above; (ii) the change of control of the Debtor resulting from the transactions noted above; and (iii) the transfer of Excluded Contracts, Excluded Assets and Excluded

Liabilities to ResidualCo.; shall be transferred to ResidualCo. and the Debtor shall have no obligations in connection with such Liabilities; and

(k) eleventh, the Debtor shall be deemed to cease being a party in these CCAA Proceedings, and the Debtor shall be deemed to be released from the purview of the ARIO, SISP Order and all other Orders of this Court granted in respect of these CCAA Proceedings, save and except for this Order, the provisions of which shall continue to apply in all respects.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Closing Certificate, forthwith after delivery thereof in connection with the Transaction.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Debtor and the Purchaser regarding the satisfaction or waiver of conditions to Closing under the Amended Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Closing Certificate.

9. **THIS COURT ORDERS** that upon delivery of the Monitor's Closing Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities, and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Debtor or the Retained Assets or Excluded Assets (collectively, "**Governmental Authorities**") are hereby authorized, requested, and directed to accept delivery of such Monitor's Closing Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Amended Purchase Agreement. Presentment of this Order and the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to

make and register transfers of interest against the Debtor or the Retained Assets and the Monitor, the Purchaser, and their respective counsel (being Cassels Brock & Blackwell LLP and Miller Thomson LLP, respectively) are hereby specifically authorized to discharge the registrations on the Retained Assets and the Excluded Assets, other than Permitted Encumbrances as applicable.

10. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the Transaction (the "**Proceeds**") shall stand in the place and stead of the Purchased Shares and Retained Assets and that from and after the delivery of the Monitor's Closing Certificate, subject to the funding of the Closing Payment, all Claims and Encumbrances (which, for greater certainty, shall not include the Permitted Encumbrances) shall attach to the Excluded Assets, which for greater certainty includes the Proceeds, with the same nature and priority as they had immediately prior to the Transaction as if the Transaction had not occurred.

11. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Debtor or the Monitor, as the case may be, are authorized, permitted, and directed to, at the Closing Time, disclose to the Purchaser, all human resources and payroll information in the Debtor's records pertaining to past and current employees of the Debtor. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Debtor.

12. **THIS COURT ORDERS** that, at the Closing Time and without limiting the provisions of paragraph 6 hereof and paragraph 7 of the Amended and Restated Initial Order dated May 29, 2025, the Purchaser, the Debtor, and the Monitor shall be deemed released from

any and all claims, liabilities (direct, indirect, absolute, or contingent), or obligations with respect to any Taxes (including penalties and interest thereon) of or that relate to the Debtor, provided, as it relates to the Purchaser and the Debtor, such release shall not apply to: (a) Taxes in respect of the business and operations conducted by the Debtor on or after May 22, 2025 (the "**Filing Date**") ; (b) Taxes expressly assumed as Retained Liabilities pursuant to the Amended Purchase Agreement, including, without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Debtor (including their affiliates and any predecessor corporations) for which they could otherwise have joint or several liability . For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to ResidualCo.; or (c) Taxes owed or owing, including assessed or accrued Taxes, against the Debtor on or after the Filing Date.

13. **THIS COURT ORDERS** that any right of set off of Canada Revenue Agency is preserved to the extent that: (i) any amounts that are, or become, due to the Respondent with respect to obligations arising prior to the Filing Date are applied against any amounts that are, or become due, from the Respondent with respect to obligations arising prior to the Filing Date; or (ii) any amounts that are, or become, due to the Respondent with respect to obligations arising after the Filing Date until the Closing Time are applied against any amounts that are, or become due, from the Respondent with respect to obligations arising after the Filing Date until the Closing Time.

14. **THIS COURT ORDERS** that any right of set off of Canada Revenue Agency is preserved to the extent that any amounts that are, or become, due to Residual Co. with respect to obligations arising after the Closing Time are applied against any amounts that are, or become due, from Residual Co. with respect to obligations arising after the Closing Time.

15. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Amended Purchase Agreement (and, for greater certainty, excluding the Excluded Assets and Excluded Liabilities and contracts relating thereto), all contracts to which the Debtor is a party at the time of delivery of the Monitor's Closing Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Closing Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution, or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the Closing Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Debtor);

(b) the insolvency of the Debtor or the fact that the Debtor obtained relief under the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations, or other steps taken or effected pursuant to the Amended Purchase Agreement, the Transaction, the provisions of this Order, or any other Order of this Court in these CCAA Proceedings; or

(d) any transfer or assignment, or any change of control, of the Debtor arising from the implementation of the Amended Purchase Agreement, the Transaction, or the provisions of this Order.

16. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 15 hereof shall waive, compromise or discharge any obligations of the Debtor or the Purchaser, in respect of any Retained Liabilities, (b) the designation of any Claim as a Retained Liability is without prejudice to any of the Debtor's or the Purchaser's right to dispute the existence, validity, or quantum of any such Retained Liability, and (c) nothing in this Order or the Amended Purchase Agreement shall affect or waive the Debtor's or the Purchaser's rights and defences, both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liability.

17. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of the Debtor then existing or previously committed by the Debtor, or caused by the Debtor, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any contract, or lease existing between such Person and the Debtor (including, for certainty, those contracts or leases constituting the Retained Contracts) arising directly or indirectly from the filing by the Applicant under the CCAA and implementation of the Transaction, including, without limitation, any of the matters or events listed in paragraph 15 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract or a lease shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Debtor or the Purchaser from performing their obligations under

the Amended Purchase Agreement, or be a waiver of defaults by the Debtor or the Purchaser under the Amended Purchase Agreement and the related documents.

18. **THIS COURT ORDERS** that, from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed, and enjoined from commencing, taking, applying for, or issuing or continuing any and all steps or proceedings, whether directly, derivatively, or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken, or proceeded with or that may be commenced, taken, or proceeded with against the Debtor or the Purchaser relating in any way to or in respect of any Excluded Assets or Excluded Liabilities and any other claims, obligations, and other matters that are waived, released, expunged, or discharged pursuant to this Order.

19. **THIS COURT ORDERS** that from and after the Closing Time:

(a) the nature of the Retained Liabilities, as retained by the Debtor, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo.; any Person that, prior to the Closing Time, had a valid right or claim against the Debtor under or in respect of any Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have an Excluded Liability Claim against the Debtor but will have an equivalent Excluded Liability Claim against ResidualCo. in respect of the Excluded Liability from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens, or extinguishes the Excluded Liability Claim of any Person as against ResidualCo.; and

(c) any Person with an Excluded Liability Claim against ResidualCo. following the Closing Time shall have the same rights, priority, and entitlement as against ResidualCo. as such Person, with an Excluded Liability Claim, had against the Debtor prior to the Closing Time.

20. **THIS COURT ORDERS** that, as of the Closing Time:

(a) ResidualCo. shall be a company to which the CCAA applies; and

(b) ResidualCo. shall be added as a party in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to (i) a "Respondent" or "Debtor" shall refer to and include ResidualCo.; and (ii) "Property" shall include the current and future assets, licenses, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of ResidualCo. (collectively, the "**ResidualCo. Property**"), and, for greater certainty, each of the Charges (as defined in the ARIO), shall constitute a charge on the Residual Co. Property.

21. **THIS COURT ORDERS** that for greater certainty, nothing in this Order, including the release of the Debtor from the purview of these CCAA Proceedings pursuant and the addition of ResidualCo. as the respondent in these CCAA Proceedings shall affect, vary, derogate from, limit or amend, and GTL shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, this Order, any other Orders in these CCAA Proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of GTL in its

capacity as Monitor, all of which are expressly continued and confirmed. Nothing in this Order shall constitute or be deemed to constitute the Monitor as a person subject to subsection 150(3) of the *Income Tax Act*, RSC 1985, c 1 (5th Supp), and the Monitor shall have no obligation to prepare or file any tax returns of ResidualCo. with any taxing authority.

IMPLEMENTATION STEPS

22. **THIS COURT ORDERS** that, in completing the Transaction contemplated in the Implementation Steps, the Debtor is hereby authorized:

(a) to execute and deliver any documents and assurances governing or giving effect to the Implementation Steps as the Debtor and the Purchaser, in their discretion and with the consent of the Monitor may deem to be reasonably necessary or advisable to conclude the Implementation Steps, including the execution of such deeds, contracts, or documents as may be contemplated in the Amended Purchase Agreement and all such deeds, contracts, or documents are hereby ratified, approved, and confirmed; and

(b) to take such steps as are, in the opinion of the Debtor and the Purchaser, with the consent of the Monitor necessary or incidental to the implementation of the Implementation Steps.

CORPORATE FILINGS

23. **THIS COURT ORDERS** that the Debtor be and is hereby permitted to execute and file articles of amendment, amalgamation, continuance or reorganization, or such other documents or instruments as may be required to permit or enable and effect the Implementation Steps, and that such articles, documents, or other instruments shall be

deemed to be duly authorized, valid, and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Implementation Steps.

24. **THIS COURT ORDERS** that the Director of Companies appointed pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B. 16, as amended, is hereby authorized and directed to accept and receive any articles of amendment, amalgamation, continuance or reorganization, or such other documents or instruments as may be required to permit or enable and effect the Implementation Steps contemplated in the Amended Purchase Agreement, filed either by the Debtor or ResidualCo., as the case may be.

CLOSING PAYMENT AND ADMINISTRATIVE WIND-DOWN AND CLAIMS AMOUNT

25. **THIS COURT ORDERS AND DIRECTS** that the Closing Payment shall be paid by the Purchaser to the Monitor by wire transfer of immediately available funds on or prior to the Closing Date, to be held by the Monitor in trust in an interest-baring account, consistent with the Implementation Steps and in accordance with the terms of the Amended Purchase Agreement and the Monitor is hereby directed and authorized to pay the Priority Payment and any amounts secured by the Administration Charge.

26. **THIS COURT ORDERS** that on the Closing Date, after payments of the amounts described in paragraph 25 hereof, the Monitor shall hold the balance of the Closing Payment in trust in an interest-bearing account (the "**Administrative Wind-Down and Claims Amount**") to:

(i) satisfy costs incurred by the Monitor and its professional advisors after Closing to:

(A) administer ResidualCo and the Excluded Assets and Excluded Liabilities;

(B) wind-down and/or dissolve ResidualCo; and

(ii) distribute remaining funds in respect of accepted Claims pursuant to the Claim Identification Order.

27. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these CCAA Proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, as amended ("**BIA**"), in respect of ResidualCo. and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtor or ResidualCo.;

the Amended Purchase Agreement, the implementation of the Transaction (including, without limitation, the transfer and vesting of the Excluded Assets and Excluded Liabilities in and to ResidualCo., the transfer and vesting of the Purchased Shares in and to the Purchaser, any payment of the Closing Payment by the Purchaser, and any payments by or to the Purchaser, the Debtor, ResidualCo., or the Monitor authorized herein, or pursuant to the Amended Purchase Agreement) shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and/or ResidualCo. and shall not be void or voidable by creditors of the Debtor or ResidualCo., as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA, or any other applicable federal, provincial, or foreign legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

MONITOR

28. **THIS COURT ORDERS** that, upon or prior to Closing Time, in addition to the prescribed rights pursuant to the CCAA, the powers and duties of the Monitor set out in the ARIO or any other Order of this Court granted in these CCAA Proceedings, and without altering in any way the limitations an obligations of the Debtor, including for greater certainty ResidualCo., as a result of the CCAA Proceedings, the Monitor be and is hereby authorized and empowered, but is not required, to:

    (a) to take any and all actions and steps, and execute all agreements, documents, and writings, on behalf of and in the name of the Debtor including the Amending Agreement on behalf of the Debtor, effective October 30, 2025, or cause the Debtor to take any and all actions and steps, and execute all agreements, documents, and writings, contemplated to be taken or executed by the Debtor or required to be taken or executed pursuant to or in connection with the Amended Purchase Agreement, the Proposed Transaction contemplated therein (or as otherwise may be considered necessary or desirable in connection therewith), this Order, any Order of this Court or to facilitate the administration of Debtor's Business, Property, operations, affairs and estates as may be necessary, appropriate, or desirable, in the sole discretion of the Monitor;

    (b) to take any and all actions and steps, and execute all agreements, documents, and writings, on behalf of and in the name of ResidualCo., or cause ResidualCo. to take any and all actions and steps, and execute all agreements, documents, and writings, contemplated to be taken or executed by the ResidualCo. or required to be taken or executed pursuant to or in connection with the Amended Purchase Agreement, the Transaction contemplated therein (or as otherwise may be considered necessary or desirable in connection therewith), any Order of this Court or to facilitate the administration of ResidualCo.'s Business, Property, operations, affairs and estates as may be necessary, appropriate, or desirable, in the sole discretion of the Monitor;

(c) exercise any powers which may be properly exercised by any board of directors or shareholders of the Debtor and/or ResidualCo.;

(d) cause ResidualCo. to take any action or make any disbursement permitted pursuant to the ARIO or any other Order granted in these CCAA Proceedings;

(e) conduct, supervise and direct the sale, market, conveyance, transfer, lease, assignment or disposal of any remaining Property of ResidualCo. or any part or parts thereof, whether or not outside of the normal course of business and notwithstanding any approvals of this Court as may be required pursuant to the ARIO;

(f) conduct, supervise and direct the continuation or commencement of any process or effort to recover Property or other assets (including any accounts receivable or cash) belonging or owing to ResidualCo.;

(g) engage, retain, or terminate the services of, or cause ResidualCo. to engage, retain or terminate the services of any officer, employee, consultant, consultant, agent, representative, advisor, or other persons or entities, all under the supervision and direction of the Monitor, as the Monitor, in its sole opinion, deems necessary or appropriate to assist with the exercise of its powers and duties;

(h) have access to all books and records that are the property of ResidualCo. in the Debtor's or the Purchaser's possession or control;

(i) facilitate or assist ResidualCo. with its accounting, tax and financial reporting functions, including the preparation of cash flow forecasts, employee-related remittances, T4 statements and records of employment, in each case based solely upon the information provided by ResidualCo. on the basis that the Monitor shall incur no liability or obligation to any person with respect to such reporting, remittances, statements and records;

(j) meet with and direct management or employees of, and persons retained by, ResidualCo. with respect to any of the foregoing;

(k) open one or more new accounts in the name of the Monitor, which may include existing trust accounts of the Monitor, for and on behalf of ResidualCo. (the "**ResidualCo. Accounts**") into which all funds, monies, cheques, instruments, and other forms of payment payable to ResidualCo. may be deposited from and after the making of this Order from any source whatsoever, and to operate and control, as applicable, on behalf of ResidualCo., the ResidualCo. Accounts in such a manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties;

(l) take any and all reasonable steps to direct or cause ResidualCo. to perform such other functions or duties as the Monitor considers necessary or desirable in to perform such other duties as the Monitor considers necessary or desirable to deal with the Property or the Business including in order to facilitate operations or assist the winding-down or liquidation of ResidualCo., the distribution of any proceeds of

ResidualCo.'s property, or any other related activities, including in connection with terminating these CCAA Proceeding, ;

(m) engage, deal, communicate, negotiate, agree, and settle with any creditor or other stakeholder of ResidualCo. (including any governmental authority) in the name of or on behalf of ResidualCo.;

(n) claim or cause ResidualCo. to claim any and all insurance refunds or tax refunds to which ResidualCo. is entitled including refunds of goods and services taxes and harmonized sales taxes, to which ResidualCo. is entitled;

(o) assign ResidualCo., or cause ResidualCo. to be assigned, into bankruptcy, and the Monitor shall hereby be entitled, but not obligated, to act as a trustee of ResidualCo. in any such bankruptcy;

(p) take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and

(q) apply to this Court for advice and directions or any further orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court, including for advice and directions with respect to any matter.

and in each case where the Monitor takes any such actions or steps, it shall be exclusively, authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, ResidualCo. and their past or present directors and officers and shareholders, and without interference from any other Persons, provided, however, that the Monitor shall comply with all applicable laws and shall not have any authority or power to elect or cause the election or removal of directors of the Debtor or ResidualCo. or to take any action to restrict or to transfer to the

Monitor any of their powers, duties, or obligations, except in accordance with section 11.5(1) of the CCAA.

29. **THIS COURT ORDERS** that the Monitor is authorized and empowered, but not required, to operate and control, on behalf of ResidualCo. all of ResidualCo.'s existing accounts at any financial institution or in its trust account (each an "**Account**" and collectively the "**Accounts**") in such manner as the Monitor, in its sole discretion, deems necessary or appropriate, including without limitation, to:

(a) exercise control over the funds credited to or deposited in the Accounts;

(b) effect any disbursement from the Accounts permitted by the ARIO or any other Order granted in these CCAA proceedings;

(c) give instructions from time to time with respect to the Accounts and the funds credited to or deposited therein, including to transfer the funds credited to or deposited in such Accounts to such other account or accounts as the Monitor may direct; and

(d) add or remove persons having signing authority with respect to any Account or to direct the closing of any Account;

30. **THIS COURT ORDERS** that the banks and/or financial institutions which maintain each of the Debtor's bank accounts are directed to recognize and permit the Monitor and its representatives to complete any and all transactions on behalf of the Debtor and for such purpose, the Monitor and its representatives are empowered and shall be permitted to execute documents for, or on behalf of and in the name of the Debtor, and shall be empowered and permitted to add and remove persons having signing authority with respect to the accounts of the Debtor. The financial institutions maintaining such accounts

shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken in accordance with the instructions of the Monitor for and on behalf of the Debtor, and/or as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions and such financial institutions shall be authorized to act in accordance with and in reliance upon such instructions without any liability in respect thereof to any person.

31. **THIS COURT ORDERS** that: (i) in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the ARIO and any other Order of this Court, and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor in carrying out of the provisions of this Order and exercising any powers granted to it hereunder; and (ii) the Monitor shall incur no liability or obligation as a result of exercising any powers granted to it hereunder, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded by the Monitor by the CCAA, any other Order of this Court in these CCAA proceedings, or any applicable legislation.

32. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except with leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under this order.

33. **THIS COURT ORDERS** that the Monitor shall not, as a result of this order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the management of the Debtor or ResidualCo., or to have taken or maintained possession or control of the business or property of any of the Debtor or ResidualCo., or any part thereof; or (b) be deemed to be in Possession (as defined in the ARIO) of any property of the Debtor or ResidualCo. within the meaning of any applicable Environmental Legislation (as defined in the ARIO) or otherwise.

34. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor, its employees, and representatives are not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo., de facto or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising as a direct result of the gross negligence or wilful misconduct of the Monitor.

35. **THIS COURT ORDERS** that nothing in this order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of ResidualCo. and/or the Debtor within the meaning of any relevant legislation and that any distributions to creditors of the Debtor and/or ResidualCo. by the Monitor will be deemed to have been made by the Debtor or ResidualCo. as applicable.

36. **THIS COURT ORDERS** that the enhancement of the Monitor's powers as set forth herein, the exercise by the Monitor of any of its powers, the performance by the Monitor of any of its duties, or the use or employment by ResidualCo. of any person under the direction of the Monitor in connection with the Monitor's appointment and the exercise and performance of its powers and duties shall not constitute the Monitor as the employer, successor employer or related employer of the employees of ResidualCo. within the

meaning of the *Employment Standards Act* (Ontario) or any other provincial, federal, municipal legislation or common law governing employment or labour standards or any other statute, regulation or rule of law or equity for any purpose whatsoever or expose the Monitor to any liability to any individuals arising from or relating to their employment by ResidualCo. and the Monitor shall not be liable for any employee related liability of the Debtor. In particular, the Monitor shall not be liable to any of the employees for any wages, including severance pay termination pay and vacation pay except for such wages as the Monitor may specifically agree to pay.

37. **THIS COURT ORDERS** that the Debtor and its current and former directors, officers, employees, consultants, agents, representatives and advisors shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order, the ARIO, or any other Order granted in these CCAA Proceedings and shall provide such assistance as the Monitor may reasonably request from time to time to enable the Monitor to carry out its duties and powers pursuant to the CCAA, this Order, the ARIO, and any other Order granted in these CCAA Proceedings.

38. **THIS COURT ORDERS** that the Monitor is, prior to the Closing Time, authorized and empowered, but not required, to execute any agreement, document, instrument, or writing in the name of and on behalf of the Debtor as may be necessary or desirable in order to carry out the provisions of this Order, the ARIO, or any other Order granted in these CCAA Proceedings or to facilitate the orderly completion of these CCAA Proceedings and the administration of Debtor estate, including to disclaim or resiliate any agreements or real property leases in accordance with the terms of the CCAA.

39. **THIS COURT ORDERS** that the powers and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the

Debtor with respect to such matters and, in the event of a conflict between the terms of this Order and those of the ARIO or any other Order of this Court, the provisions of this Order shall govern.

DISCHARGE OF THE CHIEF RESTRUCTURING OFFICER

40. **THIS COURT ORDERS** that upon delivery of the Monitor's Closing Certificate, the CRO be and is hereby discharged from its duties as the CRO and shall have no further duties, obligations or responsibilities as the CRO as set out in the engagement agreement between the Debtor and the CRO dated May 22, 2025.

RELEASES

41. **THIS COURT ORDERS** that, effective upon the filing of the Monitor's Closing Certificate, (a) Demetrios Ragas, Alexey Golubovich, Maxim Lojevsky, and Larissa Khomutova in their capacities as directors of the Debtor (together, the "**Released Directors**"); (b) the consultants and other advisors of the Debtor; (c) the directors, officers, employees, consultants, legal counsel, and other advisors to ResidualCo.; (d) the Monitor and its legal counsel and respective current directors, officers, partners, employees, consultants, and advisors; and (e) the CRO (the Persons listed in (a), (b), (c), (d), and (e) being, collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, duties, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, or due or not yet due, in law or equity and whether based in statute or otherwise) based in

whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the Closing Time or arising in connection with or relating to these CCAA Proceedings, the Amended Purchase Agreement, the consummation of the Transaction, any closing document, agreement, document, instrument, matter, or transaction involving the Debtor arising in connection with or pursuant to any of the foregoing and/or, including, without limitation, any liabilities or claims against the Released Directors relating to the Debtor's tax arrears and 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 for the period prior to the date of the ARIO, excluding any D&O Claims (as defined in the Third Report) which shall be resolved pursuant to the Claims Identification Order, (collectively, "**Released Claims**"), which Released Claims are hereby and shall be deemed to be fully, finally, irrevocably, and forever waived, discharged, released, cancelled, and barred as against the Released Parties, and are not vested nor transferred to ResidualCo. or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct, or gross negligence or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA. For greater certainty, "**current**" in this paragraph refers to individuals who remain in their respective role(s) up to the date of the filing of the Monitor's Closing Certificate.

GENERAL

42. **THIS COURT ORDERS** that, in the event of a conflict between the terms of this Order and those of the ARIO or any other Order of this Court, the provisions of this Order shall govern.

43. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser and the Debtor shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Debtor, the Purchased Shares, and Retained Assets.

44. **THIS COURT ORDERS** that, following the Closing Time, the title of these CCAA Proceedings is hereby changed to

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 1001400034 Ontario Inc.

45. **THIS COURT ORDERS** this Order shall have full force and effect in all provinces and territories in Canada.

46. **THIS COURT ORDERS** that the Monitor and the Purchaser shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court, tribunal, or administrative body, whether in Canada, the United States, or elsewhere, for orders which aid and complement this Order. All courts, tribunals, and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Purchaser and/or the Monitor as may be deemed necessary or appropriate for that purpose.

47. **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 Debtor, the Purchaser, 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 Debtor, the Purchaser and the Monitor, as an officer of this court, as may be necessary or desirable to give effect to this Order or to assist the Debtor, the Purchaser, the Monitor, and their respective agents in carrying out the terms of this Order.

48. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. (Eastern Standard Time) on the date hereof that it is made and is enforceable without any need for entry and filing.

Justice FL Myers Digitally signed by Justice FL Myers
Date: 2025.10.30 16:07:38 -04'00'

SCHEDULE A
FORM OF MONITOR'S CLOSING CERTIFICATE

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

ONTARIO SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List), ("**Court**") issued May 22, 2025, as amended and restated on May 29, 2025, the Applicant commenced proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, in respect of The Second Cup Coffee Company (the "**Debtor**"), and Grant Thornton Limited was appointed as Monitor of the Debtor (in such capacity, the "**Monitor**").

B. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Approval and Reverse Vesting Order of this Court dated October 30, 2025 ("**ARVO**").

C. Pursuant to the ARVO, the Court approved the Transaction contemplated by the stalking horse subscription agreement dated as of August 15, 2025 as amended on October 20, 2025 (the "**Amended Purchase Agreement**") entered into between the Debtor, as vendor, and the Applicant (in such capacity, the "**Purchaser**"), as purchaser, and the Transaction, and ordered, inter alia, that: (i) all of the Debtor's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo.; (ii) all of the Excluded Liabilities shall be transferred to, assumed by and vest in ResidualCo.; and (iii) all of the right, title, and interest in and to the Purchased Shares shall vest absolutely and exclusively in the Purchaser free and clear of and from any Claims and Encumbrances and terminating and cancelling all of the Existing Shares, which vesting, terminating, and cancelling is to be effective upon the delivery by the Monitor to the Purchaser and the Debtor of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Debtor and the Purchaser that all conditions to closing have been satisfied or waived by the parties to the Amended Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. The Monitor has received the Closing Payment.

2. The Monitor has received written confirmation from the Debtor and the Purchaser, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived, as applicable, by the parties to the Amended Purchase Agreement.

3. This Monitor’s Closing Certificate was delivered by the Monitor at Toronto on __________________, 2025.

GRANT THORNTON LIMITED, solely in its capacity as Monitor of the Debtor and not in its personal or corporate capacity.

Per: ______________________________

Name: Jason Kanji

Title: Vice President

SCHEDULE "B"

PERMITTED ENCUMBRANCES

Secured Party: Bank of Montreal/Banque de Montreal

File Number: 759543957

Registration Number: 20200123 1727 1532 5546 & 20241115 1649 1532 1180

ARBAT CAPITAL GROUP LTD. -and- THE SECOND CUP COFFEE COMPANY INC.

Applicant Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

APPROVAL AND VESTING ORDER

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Lawyers for the Court-appointed Monitor, Grant Thornton Limited

Appendix “H”

SUPERIOR COURT OF JUSTICE
COUR SUPÉRIEURE DE JUSTICE

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE 30TH
	)	
JUSTICE MYERS	)	DAY OF OCTOBER, 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

ANCILLARY ORDER

THIS MOTION, made by Grant Thornton Limited, in its capacity as the Court-appointed Monitor (in such capacity, the "**Monitor**") of the Second Cup Coffee Company Inc. (the "**Debtor**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order *inter alia*, expanding the Monitor's powers and related relief, pursuant to the Initial Order of this Court dated May 22, 2025, as amended and restated by and Order dated May 29, 2025 (as amended and restated, the "**ARIO**") in the within proceedings (the "**CCAA Proceedings**"), was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Motion Record of the Monitor, including the Third Report of the Monitor dated October 20, 2025 (the "**Third Report**"), the Supplement to the Monitor's Third Report dated October 29, 2025 (the "**Supplement Report**"), and such other materials that were filed, and on hearing the submissions of the counsel to the Monitor, and such other counsel that were present, no one else appearing although duly served as appears from the affidavits of Joshua Gordon sworn October 20, 2025, October 28, 2025, and October 29, 2025 as filed.

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not defined herein shall have the meanings ascribed to them in the Third Report or the Amended and Restated Initial Order dated May 29, 2025 (the "**ARIO**").

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period (as defined in the ARIO) be and is hereby extended until and including January 31, 2026.

SEALING ORDER

4. **THIS COURT ORDERS** that the Confidential Appendices to the Third Report, are hereby sealed and shall not form part of the public record until the Monitor's Certificate is filed or further order of the Court.

APPROVAL OF THE MONITOR'S THIRD REPORT, ACTIVITIES AND FEES

5. **THIS COURT ORDERS** that the Third Report and the activities, conduct, and decisions of the Monitor described therein are hereby approved, provided, however that only the Monitor in

its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

6. **THIS COURT ORDERS** that the professional fees and disbursements of the Monitor, and Cassels Brock & Blackwell LLP, as set out in the Third Report and the Fee Affidavits appended thereto, be and are hereby approved.

GENERAL

7. **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 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 and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that each of the Debtor 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.

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

10. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.

F.L. Myers J.

Justice FL Myers Digitally signed by Justice FL Myers
Date: 2025.10.30 16:09:12 -04'00'

ARBAT CAPITAL GROUP LTD. and THE SECOND CUP COFFEE COMPANY INC.

Applicant Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

ANCILLARY ORDER

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Lawyers for the Court-Appointed Monitor, Grant Thornton Limited

Appendix “I”

The Second Cup Coffee Company Inc.
Extended Cash Flow Forecast
Beginning the Week of November 9, 2025

Doane Grant Thornton

For the week beginning In CAD	Actual Week 1-25 Cumulative	2025/Nov/09 Actual Week 26	2025/Nov/16 Actual Week 27	2025/Nov/23 Actual Week 28	2025/Nov/30 Actual Week 29	2025/Dec/07 Actual Week 30	2025/Dec/14 Actual Week 31	2025/Dec/21 Actual Week 32	2025/Dec/28 Actual Week 33	2026/Jan/04 Actual Week 34	2026/Jan/11 Actual Week 35	2026/Jan/18 Actual Week 36	2026/Jan/25 Forecast Week 37	2026/Feb/01 Forecast Week 38	2026/Feb/08 Forecast Week 39	2026/Feb/15 Forecast Week 40	2026/Feb/22 Forecast Week 41	TOTAL (Cumulative Actual + Forecast)
Cash Receipts																		
Franchise Collections	211,974	89,609	85,047	1,343	-	2,237	18,346	31,723	-	49,021	62,235	2,093	-	10,000	10,000	-	10,000	583,628
Supply Purchases	-	42,980	-	-	-	-	-	-	-	-	-	12,700	-	-	-	-	-	55,680
A/R Collections	146,696	-	-	-	71,333	-	-	-	-	-	-	-	-	-	-	-	-	218,029
Miscellaneous Receipts	1,998	-	-	141	582	-	-	-	-	458	-	-	150	-	-	-	150	3,479
Total Cash Receipts	**360,668**	**132,589**	**85,047**	**1,485**	**71,914**	**2,237**	**18,346**	**31,723**	**-**	**49,479**	**62,235**	**14,793**	**150**	**10,000**	**10,000**	**-**	**10,150**	**860,816**
Cash Disbursements																		
Operational Stability Costs																		
Critical Suppliers	96,122	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	96,122
Contractors	8,559	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	8,559
Labour																		
Payroll/Expenses	160,435	-	10,848	-	10,910	-	10,965	-	35,348	276	12,240	1,856	12,240	-	12,240	-	12,240	279,598
Source Deductions	87,185	-	1,712	-	-	-	-	-	-	-	10,273	-	-	-	-	-	-	99,170
Contractors	63,815	5,784	-	9,447	-	5,768	-	-	-	18,468	-	-	12,178	-	5,000	-	12,178	132,637
Benefits	26,043	-	-	188	1,824	-	-	188	-	2,076	-	188	188	-	2,076	-	188	32,958
Leases																		
Rent	31,673	-	-	-	5,313	-	-	-	-	5,211	-	-	-	5,313	-	-	5,313	52,822
Vehicle Lease	15,351	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,351
Warehouse Storage	8,056	-	2,724	-	-	-	-	3,990	-	-	-	-	1,000	1,000	1,000	1,000	1,000	19,770
Self-Serve Storage	5,390	-	-	-	582	-	-	-	582	-	-	-	-	582	-	-	582	7,718
Operational																		
Suppliers	304,415	17,947	3,065	18,563	3,465	1,040	539	19,586	-	277	-	19,202	-	-	-	-	-	388,098
Freight	2,518	86	86	122	534	122	28	-	-	159	121	247	160	160	160	160	160	4,822
Subscriptions	12,023	1,189	1,258	255	442	469	460	697	753	1,685	1,230	1,029	1,250	1,250	1,250	1,250	1,250	27,739
Insurance	6,610	787	-	-	-	-	787	-	-	-	787	-	-	-	787	-	-	9,757
Travel	12,571	213	331	2,327	7,525	1,710	246	-	-	311	213	194	300	300	300	300	300	27,141
Advertising/Marketing	1,572	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,572
Accounting	-	-	-	9,996	-	-	-	-	-	9,389	-	-	-	-	760	-	760	20,905
Phone/Internet	1,802	354	-	-	-	341	-	-	-	-	-	456	341	-	-	-	-	3,294
Total Cash Disbursements	**844,138**	**26,359**	**20,023**	**40,898**	**30,596**	**9,449**	**13,025**	**24,461**	**36,683**	**37,852**	**24,863**	**23,172**	**27,657**	**8,605**	**23,573**	**2,710**	**33,971**	**1,228,034**
Financing Disbursements																		
BMO Interest	25,445	-	-	-	4,273	-	-	-	-	4,273	-	-	-	4,273	-	-	4,273	42,536
DIP Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Financing Disbursements	**25,445**	**-**	**-**	**-**	**4,273**	**-**	**-**	**-**	**-**	**4,273**	**-**	**-**	**-**	**4,273**	**-**	**-**	**4,273**	**42,536**
Professional Fees	696,185	187,773	-	-	-	-	10,838	-	-	-	-	52,310	-	-	-	-	-	947,106
Total Professional Fees	**696,185**	**187,773**	**-**	**-**	**-**	**-**	**10,838**	**-**	**-**	**-**	**-**	**52,310**	**-**	**-**	**-**	**-**	**-**	**947,106**
Total Cash Disbursements	**1,565,768**	**214,131**	**20,023**	**40,898**	**34,868**	**9,449**	**23,863**	**24,461**	**36,683**	**42,125**	**24,863**	**75,482**	**27,657**	**12,878**	**23,573**	**2,710**	**38,244**	**2,217,677**
Net Cash Flows	**(1,205,100)**	**(81,543)**	**65,023**	**(39,413)**	**37,046**	**(7,212)**	**(5,517)**	**7,262**	**(36,683)**	**7,354**	**37,372**	**(60,689)**	**(27,507)**	**(2,878)**	**(13,573)**	**(2,710)**	**(28,094)**	**(1,356,861)**
Cash from Interim Financing																		
DIP Financing	1,457,354	-	-	-	-	-	-	-	-	-	52,582	-	-	-	-	-	-	1,509,936
	-																	
Opening Cash Balance	1,432	253,685	172,143	237,166	197,753	234,799	227,587	222,069	229,331	192,648	200,002	289,957	229,268	201,761	198,884	185,311	182,601	1,432
Closing Cash Balance	**253,685**	**172,143**	**237,166**	**197,753**	**234,799**	**227,587**	**222,069**	**229,331**	**192,648**	**200,002**	**289,957**	**229,268**	**201,761**	**198,884**	**185,311**	**182,601**	**154,507**	**154,507**

Disclaimers:

1. This statement of projected cash flow of The Second Cup Coffee Company Inc. (the "**Company**") is prepared by the debtor in accordance with s. 23(1)(b) of the Companies Creditors' Arrangement Act ("**CCAA**").
2. The Company has prepared this January 26 Cash Flow, on probable and hypothetical assumptions that reflect the Company's planned course of action for the period of the next 3 weeks to allow for the Closing of the Transaction pursuant to the SISP. Management is of the opinion that, as at the date of filing the January 26 Cash Flow, the assumptions used to develop the projection represent the most probable set of economic conditions facing the Company and that the assumptions used proved a reasonable basis for and are consistent with the purpose of this January 26 Cash Flow.

3. The January 26 Cash Flow has been prepared by the Company and has been reviewed by the Monitor. The Monitor has not verified or confirmed certain projected expenses incurred by the Company which are reflected in this January 26 Cash Flow.
4. The information contained in the January 26 Cash Flow is subject to changing assumptions and/or receipt of new or additional information; actual results may vary. This January 26 Cash Flow should not be used for any other purpose than its stated purpose, and creditors are cautioned that the information provided in the cash flow could vary based on changing future circumstances.

Notes and Assumptions:

1. The purpose of this January 26 Cash Flow is to estimate the liquidity requirement of the company until the Closing of the Proposed Transaction.
2. The Company has completed a review of historical performance on new sales and collections of accounts receivable and has forecasted the same based on the assumptions cash receipts will mirror more recent historical performance, post CCAA filing.
3. Similarly operational costs have been estimated based on a review of accounts payable, existing purchase orders and historical operational costs.
3. The Company does not anticipate any further payments towards pre-filing arrears.
4. The Company will continue to maintain its Bank of Montreal line of credit interest payments current throughout the CCAA proceedings and this January 26 Cash Flow period.
5. Professional Fees include legal and financial advisors associated with the CCAA Proceedings will be paid through the Administration Charge on Closing.
6. There is no further DIP Financing forecasted as a result of the DIP Facility being fully utilized. Payment towards the accruing DIP Interest will be made upon closing.

Signed by:

Per: Maxim Lojevsky

Maxim Lojevsky, Chief Restructuring Officer

Appendix “J”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

FEE AFFIDAVIT OF JASON KANJI

I, JASON KANJI, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Vice President of Grant Thornton Limited ("**GTL**"), Court-appointed Monitor of The Second Cup Coffee Company Inc. (the "**Company**") and as such, have knowledge of the matters hereinafter deposed except whereas stated to be upon information in which case I do verily believe such information to be true. This affidavit is made in support of the Applicant's motion, to among other things, to approve the Monitor's accounts.

2. Attached and marked as **Exhibit "A"** to this affidavit is a detailed billing setting out the fees and disbursements of GTL incurred in its role as Monitor of the Company from October 1, 2025, to December 31, 2025, in the amount of $91,404.13 plus HST of $11,882.58, totaling $103,287.01, and such is summarized on Exhibit "**B**" to this my affidavit. The average hourly rate is $568.36.

3. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

4. This affidavit is sworn in connection with the approval of the fees and disbursements of GTL and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 26th day of January 2026	JASON KANJI
Commissioner for Taking Affidavits, etc.	

Jonathan David Krieger,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires February 11, 2026

Exhibit "**A**" to the Affidavit of Jason Kanji,
sworn before me this 26th day of January, 2026

____

Jonathan David Krieger,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires February 11, 2026

Court File No. CV-23-00701377-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

ARBAT CAPITAL GROUP LTD.

Applicants

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

BILLING

BN 12738 4717 RT0001
Client #523067
Invoice#GT00000452

To professional services rendered as Court Appointed CCAA Monitor for the period from October 1, 2025 to October 31, 2025.

Date	Name	Hours	Detail
October 1, 2025	Jason Kanji	5.50	Review of SISP submissions, Calls with Counsel, Operational Matters.
October 1, 2025	Jesse Cooper	2.00	Review payments and correspondence with the Company thereto; Internal planning re: next steps; Review banking information; Calls with BMW; Attend meeting with Company re: account access; Review and correspondence thereto.
October 2, 2025	Jason Kanji	4.50	Review of SISP details; Prepare for Auction; Review of financial wherewithal; Calls with counsel.

Date	Name	Hours	Detail
October 2, 2025	Rosa Wilford	0.25	On-line banking and monitor account for expecting incoming wire/ print screens; Prepare receipt requisition form with support and post deposit and notify team.
October 3, 2025	Jason Kanji	5.00	Prepare for an administer SISP.
October 6, 2025	Jason Kanji	2.00	Prepare for and attend to calls with Company re: transition matters; Address BMW issues; Review of cash flows and motion matters.
October 6, 2025	Jesse Cooper	1.00	Call with Company re: customer purchase order and payment; Call with BMW; Emails with Company re: account accesses; Review account access and update log in information; Call with GO Daddy.
October 7, 2025	Jason Kanji	1.00	Review of claims matters and address same.
October 7, 2025	Jesse Cooper	2.25	Internal discussions re: next steps; Review banking activity and payments; Internal discussions re: cash flow updates and budget to actual analysis; Update thereto; Attend client site to meet with BMW re: vehicle pick-up; Update email to CRO thereto.
October 7, 2025	Rosa Wilford	0.25	On-line banking and monitor account for expecting incoming wire/ print screen; Correspondences with Bank; Prepare requisition form with support and post deposit/bank charges and notify team.
October 7, 2025	Sean Fortier	0.50	Review of banking matters.
October 8, 2025	Jason Kanji	1.00	Correspond with creditors on claims matters; Review of cases.

Date	Name	Hours	Detail
October 8, 2025	Jesse Cooper	5.00	Work on Third Report; Internal discussions and review re: cash flows and budget to actual analysis; Emails with Company re: various matters.
October 8, 2025	Rosa Wilford	1.25	Prepare bank letters re transfers between accounts USD to CAD / wire payments; Prepare receipt/disbursement requisition forms; Correspondences to and from Bank for authorization of transfers/wire confirmations; On-line banking/print screens/post.
October 8, 2025	Sean Fortier	1.00	Assist on preparing cash flows and analysis thereto.
October 9, 2025	Jason Kanji	1.00	Correspond with team re: motion materials and DIP funding matters; Correspond with counsel on same.
October 9, 2025	Jesse Cooper	7.50	Work on Monitor's Third Report; Emails with Company re: accesses, payments, and collections; Internal correspondence and review re: budget to actual analysis and updated cash flows.
October 9, 2025	Rosa Wilford	0.50	Review payment request with authorized approval and account ledger; Prepare disbursement requisition form with support, post invoice entries and issue transfers.
October 9, 2025	Sean Fortier	3.00	Assist on cash flow preparation and information for report to Court.
October 10, 2025	Jesse Cooper	2.50	Call with Company to process payments and payroll, discuss next steps; Emails with Company re: transition matters; Correspondence with Venn re: transaction inquiries; Internal call re: extended cash flow and preparation thereto.
October 10, 2025	Sean Fortier	7.50	Updates to cashflow model, Discussions with team thereto; Review of banking information; Assist team on file matters.

Date	Name	Hours	Detail
October 14, 2025	Jason Kanji	1.50	Prepare for and attend call with Company and Counsel to discuss transition matters, Discussion and review of matters thereto.
October 14, 2025	Jesse Cooper	1.75	Call with CRO re: post-closing transition; Review cash flows and emails thereto; Attend former company counsel to pick-up minute book.
October 14, 2025	Rosa Wilford	0.25	On-line banking and monitor account for expecting incoming wire/ print screen; Correspondences with Bank; Prepare requisition form with support and post deposit/bank charges and notify team.
October 15, 2025	Jesse Cooper	1.00	Emails with company re: payments and collections; Emails re: transition matters; Emails. review and obtain information re: portal transfer; Emails re: BMW.
October 15, 2025	Rosa Wilford	0.50	Prepare bank letters re transfers between accounts USD to CAD; Prepare receipt and disbursement requisition forms; Correspondences to and from Bank for authorization of transfer/confirmation; Post entries and match to online print screens and reconcile.
October 16, 2025	Jason Kanji	2.50	Prepare for and attend call with Counsel re: Motion matters; Review of cash flow and prepare report.
October 16, 2025	Jesse Cooper	1.75	Work on October 20 cash flow; Review and update report accordingly, Call with counsel re: report and next steps.
October 17, 2025	Jason Kanji	3.50	Calls with counsel; Review of Report matters; Address motion matters.
October 17, 2025	Jesse Cooper	0.50	Call with Company re: transition matters; Emails thereto.

Date	Name	Hours	Detail
October 18, 2025	Jason Kanji	1.50	Review and update of report.
October 19, 2025	Jason Kanji	2.00	Review and amend report; Calls with counsel on motion materials.
October 19, 2025	Jesse Cooper	1.50	Prepare and compile appendices for Third Report.
October 20, 2025	Jason Kanji	5.00	Numerous calls with counsel on motion materials; Review and finalize report and motion materials for service.
October 20, 2025	Jesse Cooper	9.50	Internal discussions re: Third Report; Finalize cash flow; Finalize and prepare appendices; Review and work on Third Report; Calls with counsel thereto; Call with CRO re: transition matters; Payment emails; Compile and finalize Third Report for service.
October 21, 2025	Harvey Han	0.25	Reviewed and renamed the documents; Updated the documents and blurb on the website.
October 21, 2025	Jesse Cooper	1.00	Compile list of creditor emails; Correspondence thereto; Emails with the Company; Update case website blurb; Emails with BMO re: DCO document.
October 22, 2025	Jesse Cooper	0.50	Emails with the Company re: account transition; Emails with BMO re: company request.
October 23, 2025	Jesse Cooper	1.00	Call with the company to discuss account transition matters; Emails and review re: cash flow matters: Email re: tax matters; Reviews thereto.
October 24, 2025	Jason Kanji	1.00	Address Court matters and submissions thereto.

Date	Name	Hours	Detail
October 24, 2025	Jesse Cooper	2.50	Review cash flow model and revenue analysis; Call with CRO and team to discussion operational transition matters; Review payments and prepare payment planning; Call with company thereto to process payments; Emails re: account access.
October 24, 2025	Rosa Wilford	0.50	Review USD and CAD Bank Accounts; posted EFTs, reconciled Sept 2025 statements; Printed balance summary; matched to initial reconciliations; submitted to authorized officer for review.
October 27, 2025	Jesse Cooper	0.25	Emails with Company re: payment matters.
October 28, 2025	Jason Kanji	1.50	Review of Factum, Discussion with Counsel on same.
October 28, 2025	Jesse Cooper	1.50	Internal correspondence and planning re: transition; Attend intro call with new COO and to bring up to speed, transition matters, and payments; Emails with company re: payment planning; Prepare updated payment planning schedule for coming weeks.
October 29, 2025	Jason Kanji	7.50	Numerous calls with counsel; Call with Patrick; Review and finalize supplement report; Address opposing matters; Review of court materials.
October 30, 2025	Harvey Han	0.25	Reviewed and renamed the documents; Updated on the website.
October 30, 2025	Jason Kanji	5.00	Prepare for and attend court hearing; Review of information in terms of releases and Bakos materials; Correspond with counsel re: orders and endorsements.
October 31, 2025	Jason Kanji	1.00	Discussion with counsel re: endorsement matters.

Date	Name	Hours	Detail
October 31, 2025	Jesse Cooper	1.00	Review cash flow and weekly budget to actual reporting; Internal correspondence thereto.

Time Summary and Expenses:

J. Kanji, Vice President	52.00	hours @	$ 755.00	per hour	$	39,260.00
J. Cooper, Manager	44.00	hours @	$ 420.00	per hour	$	18,480.00
R. Wilford, Manager	3.50	hours @	$ 350.00	per hour	$	1,225.00
H. Han, Associate	0.50	hours @	$ 245.00	per hour	$	122.50
S. Fortier, Associate	12.00	hours @	$ 230.00	per hour	$	2,760.00
	112.00				$	61,847.50
5% Technology and Administration					$	3,092.38
HST (13%)					$	8,442.18
Total Invoice Due					**$**	**73,382.06**

Court File No. CV-23-00701377-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

ARBAT CAPITAL GROUP LTD.

Applicants

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

BILLING

BN 12738 4717 RT0001
Client #523067
Invoice#GT000000679

To professional services rendered as Court Appointed CCAA Monitor for the period from November 1, 2025 to November 30, 2025.

Date	Name	Hours	Detail
November 3, 2025	Jason Kanji	0.50	Review and address release matters.
November 4, 2025	Jason Kanji	0.50	Address release matters.
November 12, 2025	Harvey Han	0.25	Reviewed and renamed the documents; Updated on the website.
November 12, 2025	Jason Kanji	0.50	Review of payroll audit matters.
November 13, 2025	Jason Kanji	1.00	Prepare for and attend call with counsel; Review of closing matters; Review of waterfall payments.
November 13, 2025	Rosa Wilford	0.50	Review authorized approval re payment request. Prepare Bank letter / requisition and post disbursement entries; Correspondences with Bank and provide team with wire confirmation.
November 14, 2025	Jason Kanji	2.00	Meeting with team to discuss cash flow matters; SISP matters; Closing matters; and Tax matters.

Date	Name	Hours	Detail
November 14, 2025	Jesse Cooper	6.00	Review file status; Review banking information; Update call with the Company and process payments; Internal planning call re: CRA audit; Compile documents thereto; Prepare updated cash flow analysis; Call with the Company re: cash flows and transition.
November 17, 2025	Jason Kanji	1.00	Prepare for and attend CRA Audit; Review of transition and other tax matters.
November 17, 2025	Jesse Cooper	3.00	Meeting with CRA representative for coordination of payroll audit; Follow up calls with CRA rep; Review banking activity; Emails with Company re: transition and payment matters.
November 18, 2025	Jesse Cooper	1.00	Emails with the company re: planning; Emails with RBC re: transition; Review banking matters and payment issues; Internal planning re: next steps.
November 19, 2025	Jesse Cooper	1.50	Review of GST/HST filings; Call and emails with the company thereto; Review banking activity; Review CRA portal, tax reports, and balances.
November 20, 2025	Jesse Cooper	4.00	Emails re: GST/HST matters; Review and compile professional fees to date to prepare fee tracking sheet; Call re: ROEs; Emails re: payments; Review and recon of CRA RP account; Call with CRA thereto; Prepare transaction waterfall and distribution sheet.
November 21, 2025	Jason Kanji	1.00	Attend call with CRO, Follow up calls with counsel and team re: closing matters.
November 21, 2025	Jesse Cooper	3.00	Call with Blue Grove team re: questions and transition; Call with company re: questions, transition, and payments; Emails thereto; Emails re: ROE matter; Prepare fee tracking summary and calls and emails thereto.
November 21, 2025	Rosa Wilford	0.50	Reconciliation of accounts USD and CAD for October 2025/on-line banking and print screens; Post EFT Entries and prepare requisitions; Provide to authorized officer for review and signing with supporting statements.
November 26, 2025	Jason Kanji	1.00	Prepare for and attend call with Company; Review of regulatory matters; Review of cash flow matters.
November 26, 2025	Jesse Cooper	1.50	Prepare DIP funding waterfall analysis.

Date	Name	Hours	Detail
November 27, 2025	Jesse Cooper	1.25	Internal call re: next steps and outstanding closing matters; Call with company re: payments and cash flow planning; Draft letter re: ROE/vacation pay matter.
November 28, 2025	Jason Kanji	0.50	Correspond with counsel re: waterfall and amendment to closing matters.

0Time Summary and Expenses:

J. Kanji, Vice President	8.00	hours @	$ 755.00	per hour	$	6,040.00
J. Cooper, Manager	21.25	hours @	$ 420.00	per hour	$	8,925.00
R. Wilford, Manager	1.00	hours @	$ 350.00	per hour	$	350.00
H. Han, Associate	0.25	hours @	$ 245.00	per hour	$	61.25
	30.50				$	15,376.25
5% Technology and Administration					$	768.81
Disbursements						
USB Port Expense					$	39.99
HST (13%)					$	2,104.06
Total Invoice Due					**$**	**18,289.11**

Court File No. CV-23-00701377-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

ARBAT CAPITAL GROUP LTD.

Applicants

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

BILLING

BN 12738 4717 RT0001
Client #523067
Invoice#GT000000741

To professional services rendered as Court Appointed CCAA Monitor for the period from December 1, 2025 to December 31, 2025.

Date	Name	Hour	Detail
December 2, 2025	Jason Kanji	1.00	Review of WIP and closing matters.
December 2, 2025	Jesse Cooper	0.25	Discussions and emails with company re: payment matters and accounting transition; Review banking activity.
December 3, 2025	Jason Kanji	0.50	Address claims matters.
December 3, 2025	Jesse Cooper	2.25	Call with company re: accounting transition; Emails re: payments; Review transaction activity; Reconcile banking with cash flows and estate records; Prepare updated cash flow reporting; Emails and discussions thereto.
December 4, 2025	Jesse Cooper	1.50	Emails with company re: payments; Prepare internal cash flow forecast to the end of the month; Emails re: NORD.
December 5, 2025	Jason Kanji	0.50	Correspond with counsel re: steps to close; Review of claims adjudication and settlement matters.
December 5, 2025	Jesse Cooper	1.00	Call with company to discuss payments, planning, transition, and next steps; Review banking activity.

Date	Name	Hour	Detail
December 8, 2025	Jesse Cooper	1.50	Emails with company re: operational matters; Review CRA online portal re: returns and RepID for new accountant; Emails thereto; Call with company re: payment matters: Review banking activity.
December 10, 2025	Jason Kanji	1.00	Review of Proposed Transaction Waterfall; Correspond with counsel re: NORD.
December 10, 2025	Jesse Cooper	1.00	Call with accounting contractor; Review books and banking information; Internal planning discussion.
December 11, 2025	Jason Kanji	1.00	Discuss transition matters; Review of operational matters and termination issues.
December 11, 2025	Jesse Cooper	2.00	Work on updated cash flow analysis to end of January; Call with the company thereto and re: payments and transition planning.
December 12, 2025	Jesse Cooper	1.50	Work on extended and updated cash flow; Emails with company re: termination matters; Emails re: accounting transition matter.
December 15, 2025	Jason Kanji	0.50	Review of termination letters.
December 16, 2025	Rosa Wilford	0.50	Correspondences with bank/team for authorization on a new GIC Investment Certificate; Post term deposit entries and notify team.
December 17, 2025	Jason Kanji	0.50	Call with counsel re: Hearing matters.
December 17, 2025	Rosa Wilford	0.25	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile November 2025 statement; Print and sign reconciliation report; provide to team.
December 18, 2025	Jason Kanji	0.50	Address BMO debit of funds and return thereto.
December 19, 2025	Jason Kanji	0.50	Call with Monique re: closing matters.
December 22, 2025	Jason Kanji	0.50	Call with counsel re: closing matters.

Time Summary and Expenses:

J. Kanji, Vice President	6.50	hours @	$ 755.00	per hour	$	4,907.50
J. Cooper, Manager	11.00	hours @	$ 420.00	per hour	$	4,620.00
R. Wilford, Manager	0.75	hours @	$ 350.00	per hour	$	262.50
	18.25				$	9,790.00
5% Technology and Administration					$	489.50
HST (13%)					$	1,336.34
Total Invoice Due					**$**	**11,615.84**

Exhibit "**B**" to the Affidavit of Jason Kanji,

sworn before me this 26a day of January, 2026.

Jonathan David Krieger,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires February 11, 2026

The Second Cup Coffee Company Inc.
Summary of Billings
October 1, 2025 to December 31, 2025

Exhibit "B"

Date	Hours	Fees	Disbursements	Subtotal	HST	Total
October 1-31, 2025	112.00	$ 64,939.88	$ -	$ 64,939.88	$ 8,442.18	$ 73,382.06
November 1-30, 2025	30.50	$ 16,145.06	$ 39.99	$ 16,185.05	$ 2,104.06	$ 18,289.11
December 1-31, 2025	18.25	$ 10,279.50	$ -	$ 10,279.50	$ 1,336.34	$ 11,615.84
	160.75	**$ 91,364.44**	**$ 39.99**	**$ 91,404.43**	**$ 11,882.58**	**$ 103,287.01**

Average Hourly Rate **$ 568.36**

Court File No. CV-23-00701377-00CL

ARBAT CAPITAL GROUP LTD. **- and -** **THE SECOND CUP COFFEE COMPANY INC.**

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

AFFIDAVIT OF JASON KANJI

CASSELS BROCK & BLACKWELL LLP
Bay Adelaide Centre-North Tower
40 Temperance Street Suite 3200
Toronto, ON M5H 0B4

Monique Sassi LSO #63638L
Email: msassi@cassels.com
Tel: 416-860-6886

Joshua Gordon LSO # 91617D
Email: jgordon@cassels.com
Tel: 416-869-5343

Lawyers for the Court-appointed Monitor, Grant Thornton Limited

Appendix “K”

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 NATALIE E. LEVINE
(SWORN JANUARY 26, 2026)

I, Natalie E. Levine, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a lawyer qualified to practice law in Ontario and a Partner[1] in the law firm of Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for Grant Thornton Limited, in its capacity as the monitor (the "**Monitor**") of the Respondent, as appointed pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated May 22, 2025. As such, I have knowledge of the following matters.

2. During the period from October 1, 2025 to December 31, 2025, Cassels incurred fees and disbursements including Harmonized Sales Tax ("**HST**"), in the amount of $123,773.39.

[1] My services are provided through a professional corporation.

Particulars of the work performed are contained in the invoices (together, the "**Invoices**", each an "**Invoice**") attached hereto as **Exhibit "A"**.

3. Attached hereto as **Exhibit "B"** is a summary of the respective years of call and billing rates of each individual at Cassels who act for the Monitor.

4. Attached hereto as **Exhibit "C"** is a summary of each Invoice in Exhibit "A", the total billable hours charged per Invoice, the total fees charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by Cassels was $601.12.

5. To the best of my knowledge, the rates charged by Cassels are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

6. This affidavit is sworn in support of a motion to, among other things, seek approval of the fees and disbursements of counsel of the Monitor, and for no other or improper purpose.

AFFIRMED BY ME by videoconference on January 26, 2026 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.	
Commissioner for Taking Affidavits (or as may be) Commissioner Name: Joshua Gordon Law Society of Ontario Number: 91617D	**NATALIE E. LEVINE**

This is Exhibit **“A”** referred to in the Affidavit of Natalie E. Levine, affirmed before me by videoconference on January 26, 2026 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits (or as may be)

Commissioner Name: Joshua Gordon
Law Society of Ontario Number: 91617D

EXHIBIT “A”

Copies of the Invoices issued to the Monitor for fees and disbursements incurred by Cassels Brock & Blackwell LLP

Cassels

Invoice No:	2301748
Date:	October 31, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Grant Thornton Limited
200 King Street West
11th Floor Box 11
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including October 31, 2025

Our Fees	99,438.00
Disbursements	360.98
Total Fees and Disbursements	99,798.98
HST @ 13.00%	12,929.80
TOTAL DUE (CAD)	**112,728.78**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2301748
Matter No.:	025614-00043
Amount:	**CAD 112,728.78**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Oct-01-25	M. Sassi	Correspondence regarding confirmations for auction and related matters	0.40
Oct-01-25	E. Low	Reviewing reverse vesting order subscription agreement; correspondence regarding same.	0.50
Oct-01-25	T. Li Parizeau	Reviewing agreement;	0.30
Oct-02-25	J. Gordon	Correspondence with Miller Thomson team regarding auction procedures;	0.30
Oct-03-25	M. Sassi	Correspondence and hearing date co-ordination; preparation for and attending auction; review auction procedures; call regarding court materials	1.80
Oct-03-25	J. Gordon	Attending auction and correspondence with Grant Thornton team; correspondence with M. Sassi and E. Martin regarding drafting a Notice of Motion, Factum and an Ancillary Order;	2.00
Oct-06-25	M. Sassi	Correspondence with P. Bakos regarding request for update on auction and provision of documentation.	0.30
Oct-07-25	J. Gordon	Drafting the Ancillary Order and Notice of Motion;	3.60
Oct-08-25	J. Gordon	Drafting Initial drafts of the Ancillary Order and Notice of Motion; Correspondence with E. Martin and M. Sassi;	6.60
Oct-09-25	M. Sassi	Correspondence with P. Bakos regarding sale update and provision of confidential documents;	2.00
Oct-09-25	J. Gordon	Drafting factum; correspondence with E. Martin regarding expanded powers precedents; revising the ancillary order;	4.90
Oct-10-25	J. Gordon	Revising the Ancillary Order and Notice of Motion; correspondence with M. Sassi;	3.00
Oct-13-25	J. Gordon	Drafting and revising the Factum; correspondence with E. Martin regarding franchise agreements analysis; reviewing and updating the Notice of Motion to align with latest feedback;	3.20
Oct-14-25	J. Gordon	Drafting and revising the Factum; correspondence with E. Martin regarding substantive edits; reviewing and updating the Notice of Motion to align with latest feedback;	4.00
Oct-15-25	M. Sassi	Correspondence regarding Bakos query and sale approval;	0.90
Oct-15-25	J. Gordon	Revising Ancillary Order and Notice of Motion; preparing and circulated blacklines to M. Sassi; drafting Factum; correspondence with E. Martin and M. Sassi;	2.00
Oct-16-25	M. Sassi	Call with Monitor regarding court materials; review and comment on draft Ancillary order and vesting order; review and comment on court materials.	3.90
Oct-16-25	J. Gordon	Correspondence with E. Martin and M. Sassi; reviewing draft RVO from Miller Thomson; reviewing draft Third Report; tracked related changes in the Ancillary Order/Expanded Monitor powers and RVO; Update call with Grant Thornton team;	2.00
Oct-17-25	M. Sassi	Correspondence regarding court materials including report;	0.20

Date	Name	Description	Hours
Oct-17-25	J. Gordon	Revising and proofing the Third Report and the Reverse Vesting Order; correspondence with E. Martin and M. Sassi; Preparing draft Fee Affidavit;	2.00
Oct-17-25	E. Low	Reviewing draft reverse vesting order;	0.80
Oct-19-25	M. Sassi	Revisions to court materials for sale approval and other relief; correspodnence regarding same.	4.70
Oct-19-25	E. Martin	Attended meeting with client regarding: Third Report of the Monitor; reviewed motion materials and reviewed contract assignments from franchises for use & application in Third Report of the Monitor;	4.30
Oct-19-25	J. Gordon	Reviewing and revising the Notice of Motion and related Orders; correspondence with M. Sassi; reviewing and implementing comments on the Monitor's Third Report; correspondence with J. Kanji, M. Sassi and E. Martin, regarding final comments on the Monitor's Third Report and Orders;	5.00
Oct-20-25	M. Sassi	Finalization of court materials for service; call with purchaser counsel regarding materials and comment on order etc; calls with Monitor regarding court materials.	5.80
Oct-20-25	M. Sassi	Initial review of closing steps and incorporation requirements for residual company; email exchanges with co-counsel on pre-court steps;	0.40
Oct-20-25	A. Tomko	Verifying accuracy of fee affidavit;	0.80
Oct-20-25	J. Gordon	Reviewing and revising the Monitor's Third Report; correspondence with M. Sassi, E. Marting, Grant Thornton team, closing payment and wind-down matters; reviewing and commenting on draft Reverse Vesting Order and Ancillary Order; preparing blackline versions for circulation; drafting Affidavit of Service; Preparing Motion Record for October 30 hearing; serving Motion Record to the service list; confirming receipt and addressing service issues;	5.00
Oct-20-25	N. Levine	Review materials; email J. Gordon; comment on materials;	1.30
Oct-21-25	M. Sassi	Calls regarding post-service matters; correspondence Edward Park regarding court materials and government query;	0.20
Oct-21-25	E. Martin	Drafted facts section of factum to align with Third Report of the Monitor;	3.00
Oct-21-25	J. Gordon	Filing the motion record and confidential appendices with the Court; correspondence with M. Sassi and J. Cooper regarding service; effecting to current employees and creditors; correspondence with the DOJ;	3.60
Oct-22-25	M. Sassi	Coordinated incorporation strategy for residual company; confirmed timing for court approval;	0.30
Oct-22-25	M. Sassi	Correspondence with counsel to J. Ragas and counsel to government regarding time for calls;	0.10
Oct-22-25	E. Martin	Finalized draft of the factum; implemented citations and advanced follow-up requirements to assigning Partner with	3.90

Date	Name	Description	Hours
		respect to factum; responded to correspondence and prepared for incoming call with the Department of Justice following the filing of motion materials;	
Oct-22-25	J. Gordon	Correspondence with E. Low and M. Sassi regarding changes to the RVO; correspondence with J. Cooper regarding various unsecured creditors and service; reviewing and revising the draft factum;	1.00
Oct-23-25	M. Sassi	Call with counsel to J. Ragas; review statement of claim; consider issues regarding same; calls with the Monitor; review statement of claims and correspondence with client regarding same; correspondence with CRA	0.70
Oct-23-25	J. Gordon	Correspondence with the DOJ, M. Sassi and M. Cressatti regarding post filing tax obligations; reviewing the DOJ comments on the draft RVO; reviewing and revising the factum;	1.00
Oct-24-25	M. Sassi	Call with counsel to purchaser counsel regarding statement of claim; calls with Monitor regarding same;	0.60
Oct-24-25	J. Gordon	Correspondence with E. Martin regarding factum revisions; addressing M. Sassi's comments on various sections of the factum; coordinating with E. Martin on revisions required to the Overview/Summary of Facts sections;	7.20
Oct-25-25	M. Sassi	Review and comment on draft factum; drafting supplement to third report;	3.20
Oct-25-25	J. Gordon	Drafting and revising the factum; coordinating with E. Martin updates to footnotes, schedules, and formatting; reviewing defined terms and citations; preparing updated factum for internal review and circulation;	4.60
Oct-26-25	M. Sassi	Review and comment on factum; review case law and correspondence regarding same;	1.40
Oct-26-25	A. Hoy	Reviewing and revising draft Factum;	4.40
Oct-26-25	J. Gordon	Updating and revising the latest version of the factum;	1.20
Oct-27-25	M. Sassi	Applied changes to draft factum; coordinated with associates for schedules and footnotes; reviewed hardcopy for accuracy; finalize draft factum; review and finalize draft supplemental report; review and revised RVO regarding CRA matters;	5.30
Oct-27-25	J. Gordon	Drafting and revising factum for upcoming motion, including incorporating comments from Miller Thomson; coordinating updates to footnotes, schedules, and formatting; reviewing and discussing revisions to the RVO, reflecting CRA comments and D&O claims clarification; correspondence with opposing counsel and internal team regarding factum content, service list, and motion strategy; correspondence with Clyde & Co and to address motion issues and claims identification process;	13.90
Oct-28-25	J. Bellissimo	Discuss RVO hearing issues with M Sassi;	0.50
Oct-28-25	M. Sassi	Finalize factum for service and filing; correspondence regarding draft order with interested parties; drafting	3.40

Date	Name	Description	Hours
		supplemental, third report; revisions to reverse, vesting, order, and comments on same; review J. Ragas filed materials; calls with Monitor regarding same;	
Oct-28-25	J. Gordon	Drafting service email and circulating the Factum to the service list; follow-up with M. Sassi regarding timing for revised order language; coordinating with assistants on filing, courier arrangements, and commissioning Affidavit of Service; confirming CaseLines/OCPP bundle access for October 30 hearing; requesting placement of Confidential Appendices before Justice Myers and confirming with Commercial List office; reviewing CRA counsel's explanation of para 13 set-off language; reviewing the Supplement to Third Report; internal coordination on Factum edits with M. Sassi and E. Martin; ongoing follow-ups on RVO revisions; updating and circulating Factum versions and Supplement to Third Report;	6.30
Oct-29-25	M. Sassi	Calls and correspondence regarding Court materials including revised order and supplemental report; discussion with Patrick Bakos regarding court materials; calls, and correspondence with CRA regarding draft order draft order and revisions to orders; calls, with company council regarding court, materials and court orders; Cole with monitor regarding supplemental report and CRA queries; finalizing supplemental report, service, and filing of same; correspondence with CRA;	8.00
Oct-29-25	J. Bellissimo	Review draft supplemental report and consider issues; discuss RVO hearing and supplemental report matters with M Sassi;	1.00
Oct-29-25	J. Gordon	Reviewing and finalizing blackline versions of RVO and Ancillary Order; serving revised orders blacklines and the supplemental report; preparing Affidavit of Service for supplemental report; uploading the supplemental report and blackline versions of RVO and Ancillary Order to Caselines; corresponding with court staff to confirm Confidential Appendices delivery to Justice Myers; correspondence with counsel from Clyde & Co regarding releases and OBCA section 136 issues; responding to service list inquiries and granting Caselines access; correspondence with M. Sassi and J. Kanji regarding the inclusion of the Levelen Statement of Claim in the supplemental report; confirming bundle access for service list participants; correspondence with M. Sassi regarding hearing preparation;	8.80
Oct-30-25	M. Sassi	Preparation for and attending court hearing regarding sale approval; calls with stakeholders regarding contents of order; service of revised order and filing of same; review Leveln factum and preparation for responses to same; review order and endorsement calls with purchaser counsel; correspondence with J. Myers regarding correcting to endorsement.	5.70

Date	Name	Description	Hours
Oct-30-25	J. Bellissimo	Calls/emails with M Sassi regarding RVO hearing matters;	1.00
Oct-30-25	J. Gordon	Correspondence with M. Sassi regarding Affidavit of Service's filed with the court; assisting various parties with getting access to Caselines and providing the hearing zoom link to requesting parties; correspondence with E. Martin prior to and during the hearing; reviewing E. Maritn's hearing summary notes;	2.80
Oct-31-25	M. Sassi	Review endorsement form J. Myers; calls and correspondence with stakeholders regarding positions;	1.10
Oct-31-25	A. Merskey	Reviewing endorsements, briefing from M. Sassi regarding hearing and sale issues, confer with M. Sassi regarding next steps and working on same;	0.70

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Bellissimo, Joseph J.	Partner	2.50	1,060.00	2,650.00
Sassi, Monique	Partner	50.40	800.00	40,320.00
Merskey, Alan	Partner	0.70	1,125.00	787.50
Levine, Natalie	Partner	1.30	1,025.00	1,332.50
Low, Evan D.	Partner	1.30	860.00	1,118.00
Li Parizeau, Tera	Partner	0.30	900.00	270.00
Hoy, Alec	Associate	4.40	550.00	2,420.00
Gordon, Joshua	Associate	94.00	500.00	47,000.00
Martin, Ethan	Law Student	11.20	295.00	3,304.00
Tomko, Andrea	Law Student	0.80	295.00	236.00
TOTAL (CAD)		**166.90**		**99,438.00**

Our Fees	99,438.00	
HST @ 13.00%	12,926.94	
TOTAL FEES & TAXES (CAD)		**112,364.94**

DISBURSEMENT SUMMARY

Non-Taxable Disbursements

Court - Sundry	339.00
Total Non-Taxable Disbursements	339.00

Taxable Disbursements

Delivery	21.98
Total Taxable Disbursements	21.98

HST @ 13.00%	2.86
Total Taxable Disbursements & Taxes	24.84

TOTAL DISBURSEMENTS & TAXES (CAD)	**363.84**
TOTAL FEES	**99,438.00**
TOTAL DISBURSEMENTS	**360.98**
TOTAL TAXES	**12,929.80**
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	**112,728.78**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2287441	07/07/25	632.80	0.00	632.80
2291453	08/11/25	1,175.20	0.00	1,175.20
2298534	10/10/25	36,559.65	0.00	36,559.65
2301748	10/31/25	112,728.78	0.00	112,728.78
TOTAL (CAD)		**151,096.43**	**0.00**	**151,096.43**

Cassels

Invoice No:	2304086
Date:	November 24, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Grant Thornton Limited
200 King Street West
11th Floor Box 11
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including November 21, 2025

Our Fees	1,265.00
Disbursements	48.99
Total Fees and Disbursements	1,313.99
HST @ 13.00%	170.82
TOTAL DUE (CAD)	**1,484.81**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King Street W,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 000247696

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter no.

Invoice No:	2304086
Matter No.:	025614-00043
Amount:	**CAD 1,484.81**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Nov-04-25	M. Sassi	Correspondence and call with company counsel regarding order and endorsement;	0.20
Nov-04-25	A. Merskey	Emails regarding RVO next steps, consider same;	0.20
Nov-06-25	M. Sassi	Correspondence regarding orders and endorsement and circulation of same;	0.40
Nov-19-25	M. Sassi	Correspondence regarding ROE Matters;	0.10
Nov-20-25	M. Sassi	Call with client regarding ROE matters and discussion regarding closing;	0.40
Nov-21-25	M. Sassi	Call with D. Salter regarding RE correspondence with client regarding same;	0.20

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Sassi, Monique	Partner	1.30	800.00	1,040.00
Merskey, Alan	Partner	0.20	1,125.00	225.00
TOTAL (CAD)		**1.50**		**1,265.00**

Our Fees	1,265.00	
HST @ 13.00%	164.45	
TOTAL FEES & TAXES (CAD)		**1,429.45**

DISBURSEMENT SUMMARY

Taxable Disbursements		
Binding, Tabs, Disks, etc	27.01	
Delivery	21.98	
Total Taxable Disbursements	48.99	
HST @ 13.00%	6.37	
Total Taxable Disbursements & Taxes	55.36	
TOTAL DISBURSEMENTS & TAXES (CAD)		**55.36**

TOTAL FEES	**1,265.00**
TOTAL DISBURSEMENTS	**48.99**
TOTAL TAXES	**170.82**
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	**1,484.81**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2287441	07/07/25	632.80	0.00	632.80
2291453	08/11/25	1,175.20	0.00	1,175.20
2298534	10/10/25	36,559.65	0.00	36,559.65
2304086	11/24/25	1,484.81	0.00	1,484.81
TOTAL (CAD)		**39,852.46**	**0.00**	**39,852.46**

Cassels

Invoice No:	2305957
Date:	December 04, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Grant Thornton Limited
200 King Street West
11th Floor Box 11
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including November 30, 2025

Our Fees	1,220.00
HST @ 13.00%	158.60
TOTAL DUE (CAD)	**1,378.60**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King Street W,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 000247696

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter no.

Invoice No:	2305957
Matter No.:	025614-00043
Amount:	**CAD 1,378.60**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Nov-06-25	J. Gordon	Correspondence with the service list regarding the recently issued Orders and Endorsements;	0.60
Nov-10-25	M. Sassi	Correspondence regarding closing matters;	0.10
Nov-11-25	J. Gordon	Drafting hearing request form and correspondence with M. Sassi regarding upcoming hearing;	0.60
Nov-20-25	J. Gordon	Correspondence with GT team and M. Sassi regarding Record of Employments and related mattes;	0.40
Nov-21-25	J. Gordon	Correspondence with J. Cooper and M. Sassi regarding Jim's outstanding vacation pay;	0.20
Nov-27-25	M. Sassi	Call with client regarding closing mechanics and funding;	0.30

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Sassi, Monique	Partner	0.40	800.00	320.00
Gordon, Joshua	Associate	1.80	500.00	900.00
TOTAL (CAD)		**2.20**		**1,220.00**

Our Fees	1,220.00	
HST @ 13.00%	158.60	
TOTAL FEES & TAXES (CAD)		**1,378.60**

TOTAL FEES	**1,220.00**
TOTAL TAXES	**158.60**
TOTAL FEES & TAXES (CAD)	**1,378.60**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2287441	07/07/25	632.80	0.00	632.80
2291453	08/11/25	1,175.20	0.00	1,175.20
2298534	10/10/25	36,559.65	0.00	36,559.65
2304086	11/24/25	1,484.81	0.00	1,484.81
2305957	12/04/25	1,378.60	0.00	1,378.60
TOTAL (CAD)		**41,231.06**	**0.00**	**41,231.06**

Cassels

Invoice No:	2308475
Date:	December 22, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Grant Thornton Limited
200 King Street West
11th Floor Box 11
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including December 19, 2025

Our Fees	6,140.00
HST @ 13.00%	798.20
TOTAL DUE (CAD)	**6,938.20**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King Street W,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 000247696

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter no.

Invoice No:	2308475
Matter No.:	025614-00043
Amount:	**CAD 6,938.20**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Dec-01-25	M. Sassi	Review draft email from client regarding vacation pay;	0.20
Dec-02-25	M. Sassi	Correspondence with P. Bakos regarding info requests;	0.10
Dec-03-25	M. Sassi	Correspondence with Monitor regarding Bakos request;	0.20
Dec-04-25	M. Sassi	Call with counsel to the Purchaser regarding extension Outside Date; correspondence regarding court time; review claims and consider issues regarding settlement;	0.40
Dec-04-25	M. Sassi	Review and consider closing waterfall and claims matters; correspondence with client regarding claims and waterfall;	0.70
Dec-05-25	M. Sassi	Call with J. Kanji regarding ongoing CCAA matters including closing and claims;	0.50
Dec-10-25	M. Sassi	Review orders regarding distribution and CCAA termination; call with Monitor regarding ongoing CCAA matters; call with Purchaser counsel Monitor regarding closing and distribution; review correspondence from P. Bakos and review confidentiality agreement and comment on same; correspondence regarding court time;	1.10
Dec-11-25	M. Sassi	Correspondence regarding court time and extension of Outside Date;	0.40
Dec-15-25	M. Sassi	Call with Monitor regarding ongoing CCAA matters;	0.10
Dec-16-25	J. Gordon	Correspondence with M. Sassi and C. Beaudoin regarding C. Ragas Claim;	0.30
Dec-16-25	M. Sassi	Correspondence regarding claims and related matters;	0.10
Dec-17-25	J. Gordon	Notice of Revision or Disallowance; correspondence with M. Sassi and C. Beaudoin regarding C. Ragas claim;	2.20
Dec-17-25	M. Sassi	Review correspondence regarding claims; review claims order and correspondence with client regarding same; call with counsel to Claimant regarding resolution of claim;	0.70
Dec-18-25	M. Sassi	Review cash flow forecast; correspondence with company and Monitor regarding next steps; correspondence with Bakos; review NORD and sending to client regarding same;	0.90
Dec-19-25	M. Sassi	Review cash flow forecast and waterfall; discussion with client regarding same;	0.40
Dec-19-25	J. Gordon	Revisions to the draft Notice of Revision or Disallowance; correspondence with J. Kanji and M. Sassi regarding same; correspondence with M. Cressatti regarding the Levelen NDA;	0.50

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Sassi, Monique	Partner	5.80	800.00	4,640.00
Gordon, Joshua	Associate	3.00	500.00	1,500.00
TOTAL (CAD)		**8.80**		**6,140.00**

Our Fees	6,140.00	
HST @ 13.00%	798.20	
TOTAL FEES & TAXES (CAD)		**6,938.20**

TOTAL FEES	**6,140.00**
TOTAL TAXES	**798.20**
TOTAL FEES & TAXES (CAD)	**6,938.20**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2287441	07/07/25	632.80	0.00	632.80
2291453	08/11/25	1,175.20	0.00	1,175.20
2298534	10/10/25	36,559.65	0.00	36,559.65
2304086	11/24/25	1,484.81	0.00	1,484.81
2305957	12/04/25	1,378.60	0.00	1,378.60
2308475	12/22/25	6,938.20	0.00	6,938.20
TOTAL (CAD)		**48,169.26**	**0.00**	**48,169.26**

Cassels

Invoice No:	2310154
Date:	December 31, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Grant Thornton Limited
200 King Street West
11th Floor Box 11
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including December 31, 2025

Our Fees	1,100.00
HST @ 13.00%	143.00
TOTAL DUE (CAD)	**1,243.00**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

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REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

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Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter no.

Invoice No:	2310154
Matter No.:	025614-00043
Amount:	**CAD 1,243.00**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Dec-09-25	J. Gordon	Drafting an NDA for Levelen and correspondence with M. Sassi regarding same;	2.10
Dec-30-25	J. Gordon	Correspondence with M. Cressatti regarding status of the Levelen NDA;	0.10

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Gordon, Joshua	Associate	2.20	500.00	1,100.00
TOTAL (CAD)		**2.20**		**1,100.00**

Our Fees	1,100.00	
HST @ 13.00%	143.00	
TOTAL FEES & TAXES (CAD)		**1,243.00**

TOTAL FEES	**1,100.00**
TOTAL TAXES	**143.00**
TOTAL FEES & TAXES (CAD)	**1,243.00**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2287441	07/07/25	632.80	0.00	632.80
2291453	08/11/25	1,175.20	0.00	1,175.20
2298534	10/10/25	36,559.65	0.00	36,559.65
2304086	11/24/25	1,484.81	0.00	1,484.81
2305957	12/04/25	1,378.60	0.00	1,378.60
2308475	12/22/25	6,938.20	0.00	6,938.20
2310154	12/31/25	1,243.00	0.00	1,243.00
TOTAL (CAD)		**49,412.26**	**0.00**	**49,412.26**

This is Exhibit **"B"** referred to in the Affidavit of Natalie E. Levine, affirmed before me by videoconference on January 26, 2026 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits (or as may be)

Commissioner Name: Joshua Gordon
Law Society of Ontario Number: 91617D

EXHIBIT “B”

Summary of Respective Years of Call and Billing Rates of Cassels Brock & Blackwell LLP for the period October 1, 2025 to December 31, 2025

Year of Call	Individual	Rate ($) (2025)	Total Fees Billed ($)	Total Hours Worked
2013	Monique Sassi	$800.00	$46,320.00	57.90
2025	Joshua Gordon	$500.00	$50,500.00	101
2013	Tera Li Parizeau	$900.00	$270.00	0.3
2013	Natalie Levine	$1,025.00	$1,332.50	1.3
1999	Alan Merskey	$1,125.00	$1,012.50	0.9
2002	Joseph Bellissimo	$1,060.00	$2,650.00	2.5
2002	Evan D. Low	$1,118.00	$1,118.00	1.3
2022	Alec Hoy	$550.00	$2,420.00	4.4
	Ethan Martin (Law Student)	$295.00	$3,304.00	11.2
	Andrea Tomko (Law Student)	$295.00	$236.00	0.8

This is Exhibit **"C"** referred to in the Affidavit of Natalie E. Levine, affirmed before me by videoconference on January 26, 2026 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits (or as may be)

Commissioner Name: Joshua Gordon
Law Society of Ontario Number: 91617D

<u>EXHIBIT "C"</u>

Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
For the period October 1, 2025 to December 31, 2025

Invoice No./ Period	Fees ($)	Disbursements ($)	HST ($)	Total Fees, Disbursements and HST ($)	Hours Billed	Average Billed Rate ($)
#2301748 (October 1, 2025 to October 31, 2025)	$99,438.00	$360.98	$12,929.80	$112,728.78	166.90	$595.79
#2304086 (November 1, 2025 to November 21, 2025)	$1,265.00	$48.99	$170.82	$1,484.81	1.50	$843.33
#2305957 (November 6, 2025 to November 30, 2025)	$1,220.00	$0	$158.60	$1,378.60	2.20	$554.55
#2308475 (December 1, 2025 to December 19, 2025)	$6,140.00	$0	$798.20	$6,938.20	8.80	$697.73
#2310154 (December 9, 2025 to December 31, 2025)	$1,100.00	$0	$143.00	$1,243.00	2.20	$500.00
Total	**$109,163.00**	**$409.97**	**$14,200.42**	**$123,773.39**	**181.60**	**$601.12**

ARBAT CAPITAL GROUP LTD. -and- THE SECOND CUP COFFEE COMPANY INC.

Applicant Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF NATALIE E. LEVINE

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Monique Sassi LSO #63638L
Tel: 416.860.6886
msassi@cassels.com

Joshua Gordon LSO #91617D
Tel: 416.860.6463
jgordon@cassels.com

Lawyers for the Court-Appointed Monitor, Grant Thornton Limited

ARBAT CAPITAL GROUP LTD. -and- THE SECOND CUP COFFEE COMPANY INC.

Applicant Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

FOURTH REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED IN ITS CAPACITY AS COURT-APPOINTED MONITOR

CASSELS BROCK & BLACKWELL LLP
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Monique Sassi LSO #63638L
Tel: 416.860.6886
msassi@cassels.com

Joshua Gordon LSO #91617D
Tel: 416.869.5343
jgordon@cassels.com

Lawyers for the Court-Appointed Monitor, Grant Thornton Limited