

This is Exhibit “H” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

June 25, 2018

The Second Cup Coffee Company Inc.
6303 Airport Road, Suite 103
Mississauga, Ontario, L4V 1R8, Canada

Attention: Demetrios (Jim) Ragas, President and Chief Executive Officer

Dear Sir:

Re: Loan in the principal amount of £400,000 to The Second Cup Coffee Company Inc. (the "Borrower")

This is to confirm that, subject to the Borrower's acceptance of and agreement to this Agreement, Arbat Capital Group Ltd. (the "**Lender**") is prepared to make the Loan (as defined below) to the Borrower on and subject to the terms set out below.

In consideration of the mutual obligations contained herein and for other consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Definitions

Except as otherwise defined herein, the capitalized words and expressions used in this Agreement or in its Schedules shall have the following meanings:

- (a) "**Agreement**" means this loan agreement and all Schedules attached hereto as the same may be amended, restated, replaced or superseded from time to time.
- (b) "**Banking Day**" means a day other than a Saturday or a Sunday or other day on which banks are required or authorized to close in Toronto, Canada.
- (c) "**Collateral**" means 40% of all securities in the capital of UK Subco which shall be registered in the name of the Borrower from time to time.
- (d) "**Deposit**" means a non-refundable deposit in the amount of £30,000 payable by the Borrower to Hot Millions Limited in connection with certain Transactions.
- (e) "**Loan Documents**" means, collectively, this Agreement, the Notes, and the Security Documents, and any other agreements or documents entered into in connection with the transactions contemplated herein and therein; and "**Loan Document**" means any one of them.
- (f) "**Loan Obligations**" means the indebtedness, obligations, liabilities, promises, covenants, responsibilities and duties of every kind and description (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise of the Borrower owing or incurred to the Lender arising under, by reason of or otherwise in respect of this Agreement or any other Loan Document including, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Borrower hereunder.
- (g) "**Outstanding Principal Amount**" means the principal amount of the Loan remaining outstanding and unpaid from time to time.
- (h) "**Purchased Assets**" means the assets pertaining to Second Cup cafés located in the United Kingdom to be acquired by UK Subco, from time to time.

- (i) **"Security Documents"** means, at any time, the agreements, documents and instruments listed in Section 4 and each additional agreement, document and instrument delivered to or for the benefit of the Lender at or before such time to secure or guarantee, directly or indirectly, the payment or performance of any of the Loan Obligations.
- (j) **"Transactions"** means the acquisitions of the Purchased Assets, and **"Transaction"** means any one of them.
- (k) **"UK Subco"** means a corporation, company or other legal entity to be incorporated by the Borrower as its subsidiary in the United Kingdom.

2. **Loan**

- (a) **Loan Amount.** Upon and subject to the conditions hereof, the Lender agrees to loan an aggregate principal amount of £400,000 (the "**Loan**"), to be disbursed to the Borrower or as directed by the Borrower, no later than 30 days from the date hereof.
- (b) **Use of Funds.** The Loan shall be used by the Borrower to capitalize UK Subco, pay the purchase price payable in connection with the Transactions, and to pay for such other necessary or incidental expenses in connection with the Transactions (including the fees and expenses of legal, tax and accounting advisors).
- (c) **Acknowledgement and Waiver.** The Lender hereby acknowledges and agrees that its failure to make the full amount of the Loan available to the Borrower as set forth above may result in the termination of one or more Transactions, and the forfeiture of the Deposit to the sole and entire benefit of Hot Millions Limited. The Lender hereby irrevocably and unconditionally waives any right to be reimbursed the Deposit, or to claim damages against the Borrower or any of its respective affiliates or representatives for any losses, whether direct or indirect, resulting from the forfeiture of the Deposit if and to the extent caused solely by any Lender's failure to make the full amount of the Loan available to the Borrower in accordance with the terms of this Agreement.
- (d) **Promissory Note.** If required by the Lender, the Loan shall be evidenced by a promissory note (each, a "**Note**") to be executed by the Borrower in the form attached as Schedule A and dated as of the date of disbursement of the Loan. The term "**Note**" as used herein shall include all amendments or supplements thereto or replacements thereof. The following shall be inscribed on each Note:

"THE OBLIGATIONS DUE UNDER THIS NOTE ARE SECURED BY A SECURITIES PLEDGE AGREEMENT (THE "SECURITIES PLEDGE AGREEMENT") DATED AS OF June 25, 2018 AND EXECUTED BY THE SECOND CUP COFFEE COMPANY INC. FOR THE BENEFIT OF THE LENDER. ADDITIONAL RIGHTS OF THE LENDER ARE SET FORTH IN THE SECURITIES PLEDGE AGREEMENT."

3. **Interest, Term and Repayment**

- (a) **Interest.** Interest shall accrue on the applicable portion of the Loan from and after the disbursement of the Loan until (i) the third anniversary date of the disbursement of the Loan or (ii) the date of an earlier Event of Default (the "**Maturity Date**"). Interest shall accrue on the Outstanding Principal Amount at the fixed rate of 16% per annum and be payable by the Borrower on the first Banking Day of every quarter commencing on September 1, 2018.
- (b) **Term and Repayment.** The term of the Loan shall be thirty-six (36) months commencing on the date of the disbursement of the Loan, and ending on the Maturity Date. The Outstanding Principal Amount shall be repaid by the Borrower to the Lender together with any interest accrued and unpaid and expenses accruing pursuant to the terms of this Agreement, on the Maturity Date, and the Loan shall be automatically terminated on such date.

- (c) Prepayments. The Borrower shall at any time have the right to prepay all or any part of the Outstanding Principal Amount, together with interest thereon through the Maturity Date, and any other amounts outstanding, at any time or from time to time, without notice, penalty or bonus, provided the amount of the prepayment shall be at least £25,000. Amounts which are prepaid as aforesaid may not be re-borrowed. Any such prepayment will be applied first to the payment of expenses due to Lender, second to interest accrued on the Loan and third, if the amount of prepayment exceeds the amount of all such expenses and accrued interest, to the payment of principal of the Loan.
- (d) Place of Payment. All payments to the Lender shall be made by electronic transfer to the accounts designated by the Lender from time to time in writing or such other means that the Lender may from time to time advise the Borrower in writing. Any payment received after 3:00 p.m. (Toronto time) on a Banking Day shall be credited for value on the next following Banking Day.

4. Security

- (a) Security Documents. To secure the due payment and performance of the Loan Obligations, the Borrower shall deliver or cause to be delivered to the Lender, each of the agreements, documents and instruments (each in form and substance satisfactory to the Lender) listed below, immediately following the incorporation of UK Subco and the issuance of securities of UK Subco to the Borrower, or as soon as reasonably practicable following such date:
 - (i) a securities pledge agreement, substantially in the form presented to the Lender on the date hereof, creating a first priority lien in favour of the Lender in the Collateral; and
 - (ii) the certificate(s) representing the Collateral, together with security transfer forms in respect thereof, signed in blank and undated.
- (b) Registration. Unless the Lender notifies the Borrower otherwise, the Borrower shall cause the Borrower's counsel to register the security created under the Loan Documents (or a financing statement, notice or other document in respect thereof) on behalf of the Lender in all offices where (a) such registration is necessary to create, preserve, protect and perfect the security created under the Loan Documents and its validity, effect, priority and perfection at all times, and/or (b) the Lender's counsel specifically requests.
- (c) Further Assurances. The Borrower shall forthwith and from time to time on request from the Lender, execute or cause to be executed, all such documents (including any change to any Loan Document) and do or cause to be done all such other matters and things which in the reasonable opinion of the Lender or the Lender's counsel may be necessary (so far as may be possible under any applicable law) to establish the priority intended to be created by the Loan Documents. It is the intention of the parties that the Lender will, among other things, have a first priority lien over all Collateral.

5. Representations and Warranties

To induce the Lender to make the Loan available to the Borrower, the Borrower represents and warrants to and in favour of the Lender as follows:

- (a) Existence and Good Standing. The Borrower is a corporation duly and validly incorporated and existing under the *Business Corporations Act* (Ontario) and has the legal capacity and right to own its assets and to carry on its business in each jurisdiction in which its assets are located or it carries on business.
- (b) Authority. The Borrower has the legal capacity and right to enter into each Loan Document to which it is a party and do all acts and things and execute and deliver all documents as are required thereunder to be done, observed or performed by it in accordance with the terms and conditions thereof.
- (c) Due Authorization; No Breach. The Borrower has taken all necessary action to authorize the execution and delivery of each Loan Document to which it is a party, the creation and performance of its obligations

thereunder and the creation of the security over the Purchased Assets and the consummation of the transactions contemplated thereby. The execution and delivery of this Agreement by the Borrower, the consummation of the Transactions and the fulfilment by the Borrower of the terms, conditions and provisions hereof will not contravene or violate or result in a breach or a default, in any material respect, under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligations of the Borrower under:

- (i) any applicable Law;
 - (ii) any material judgment, order, writ, injunction or decree of any regulatory authority having jurisdiction over the Borrower;
 - (iii) the articles, by-laws or any resolutions of the Board of Directors or shareholders of the Borrower; or
 - (iv) the shareholders agreement of the Borrower.
- (d) Due Execution. The Borrower has duly executed and delivered this Agreement.

6. Covenants

Until payment in full of all Loan Obligations owing to the Lender, the Borrower will:

- (a) duly and punctually pay each sum payable by it under each Loan Document to which it is a party in the manner specified in such Loan Document;
- (b) insure and keep insured all of its property and assets in accordance with good commercial practice;
- (c) maintain its corporate existence in good standing and do or cause to be done all things necessary to keep in full force and effect all properties, rights, franchises, licences and qualifications including those which are material for the Borrower to carry on business in any jurisdiction in which it carries on business, and Borrower shall maintain all of its respective properties and assets consistent with industry standards and past practices;
- (d) comply with applicable laws in all material respects;
- (e) keep proper books of record and account, in which full and correct entries shall be made of all financial transactions in accordance with International Financial Reporting Standards;
- (f) permit the Lender at any reasonable time or times, within normal business hours, following reasonable notice to Borrower or UK Subco, as applicable, to visit the properties of, and examine and make copies of and abstracts from the books and records of Borrower or UK Subco, as applicable.

7. Events of Default

The occurrence of any one or more of the following events (being herein referred to as an “Event of Default”) shall constitute a default under this Agreement:

- (a) Default in Payment. If the Borrower fails to pay any amount of the Outstanding Principal Amount, or to pay any interest or other amounts when due and payable under this Agreement or any other Loan Documents and such payment shall not have been made within five (5) Banking Days of the due date thereof.
- (b) Default in Performance, Etc. If the Borrower defaults in the performance or observance of any term, condition or covenant contained in this Agreement or any other Loan Document.

- (c) Insolvency. If the Borrower shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally as they become due or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of ten (10) days or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee custodian or other similar official for it or for any substantial part of its property) shall occur.
- (d) Default Under Other Instruments. A default or event of default (subject to any applicable grace or cure period) shall occur under any other material agreement, indebtedness, lease, document or instrument to which Borrower is bound and shall persist until the earlier of (i) five (5) Banking Days after notice of such default is sent to Borrower by the Lender or (ii) ten (10) Banking Days after Borrower shall become or should have become aware of such default.
- (e) Misrepresentation. If any representation or warranty made by the Borrower in this Agreement or any other Loan Document shall prove to have been incorrect or misleading in any material respect when made or deemed to be made.
- (f) Sale of the Business. Any sale of the business of the Borrower or UK Subco, whether by a sale of all or substantially all the assets of the Borrower or UK Subco, or the sale of all of the issued and outstanding shares in the share capital of the Borrower or UK Subco.
- (g) Judgments. Any order or judgment for the payment of money in excess of \$1,000,000 shall be rendered against Borrower and such order or judgment shall continue unsatisfied and unstayed for more than the time permitted by applicable law for an appeal of such judgment to be filed.
- (h) Contest of Loan Documents. Borrower shall disavow, revoke or terminate any Loan Document to which it is a party or shall otherwise challenge or contest in any action, suit or proceeding in any court or before any arbitrator or governmental body the validity or enforceability of any Note or any other Loan Document.
- (i) Restraint on Activities. The Borrower is enjoined, restrained or in any way prevented by the order of any court or any administrative or regulatory agency from conducting all or any material part of its business and such order continues for more than the time permitted by applicable law for an appeal of such judgment to be filed.
- (j) Dissolution. Any dissolution, winding up of Borrower or any order, judgment or decree is entered against Borrower decreeing the dissolution or split up of Borrower and such order remains undischarged or unstayed for a period in excess of sixty (60) days.

8. Acceleration

- (a) Upon the occurrence of any Event of Default (other than an Event of Default described in Section 7(c)) and at any time thereafter during the continuance of such Event of Default, the Lender may, by written notice to the Borrower, declare all outstanding Loan Obligations to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Loan Documents to the contrary notwithstanding. Upon the occurrence of any Event of Default described in Section 7(c), immediately and without notice, all outstanding Obligations payable by the Borrower hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Loan Documents to the contrary notwithstanding.

- (b) In addition to the foregoing remedies but subject at all times to Section 2(c), upon the occurrence and during the continuance of any Event of Default, the Lender may exercise any other right power or remedy granted to them by the Loan Documents or otherwise permitted to them by law, either by suit in equity or by action at law, or both, it being understood that no remedy provided for herein or provided for therein conferred or reserved is exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given to the Lender under the Notes and each other Loan Document or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power by the Lender accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to exercise any remedy reserved to the Lender under the Notes or any other Loan Document, it shall not be necessary to give any notice, other than such notice as may be herein expressly required herein or in such other Loan Document.

9. General

- (a) Waivers. The Lender may waive any breach by the Borrower of any provision of this Agreement or any other Loan Document to which the Borrower is a party or performance of any covenant or condition to be observed or performed by the Borrower hereunder or any other Loan Document to which the Borrower is a party. No waiver and no act or omission by the Lender in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach, whether of the same or a different nature, or the rights arising therefrom.
- (b) Further Assurances. Each party shall take such action and execute and deliver such documents as the other party may reasonably request from time to time to give effect to the terms, conditions, provisions, purpose and intent of this Agreement.
- (c) Agreements. Each reference in this Agreement to any agreement or document shall be construed to include such agreement or document (including any attached schedules, appendices and exhibits) and each amendment made to it at or before the time in question.
- (d) Headings, etc. The Article and Section headings in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Agreement. The terms “**this Agreement**”, “**hereof**”, “**hereunder**” and similar expressions refer to this Agreement and not to any particular Article, Section, Subsection, Schedule, paragraph, subparagraph, clause or other portion of this Agreement.
- (e) Grammatical Variations. In this Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference herein shall be construed in like manner.
- (f) Certain references. To the extent the context so admits, any reference in this Agreement to “**include**”, “**includes**” and “**including**” shall be construed to be followed by the statement “without limitation” and none of such terms shall be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.
- (g) Amendment. This Agreement and other Loan Documents and documents collateral hereto may be modified or amended only if the Borrower and the Lender so agree in writing.
- (h) Entire Agreement. This Agreement and the Loan Documents constitute the entire agreement between the parties with respect to the subject matters hereof and thereof and cancel and supersede any prior understandings and agreements between the parties with respect thereto. There are no representations,

warranties, conditions, other agreements or acknowledgments, whether direct or collateral, express or implied, that form part of or affect this Agreement or any other Loan Document other than as expressed herein or in such other Loan Document. The execution of each Loan Document has not been induced by, nor does the Borrower rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgments not expressly made in any Loan Document.

10. Governing Law

This Agreement and all documents delivered pursuant hereto shall, unless otherwise specified therein, be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

11. Time of the Essence

Time shall in all respect be of the essence of this Agreement, and no extension or variation of this Agreement or of any obligation hereunder shall operate as a waiver of this provision.

12. Notices

All notices and other communications provided for herein shall be in writing and shall be delivered by courier or personally delivered to an officer or a responsible representative of the Lender or the Borrower, as the case may be, or sent by facsimile or other direct electronic means, charges prepaid, as follows:

To the Borrower:

The Second Cup Coffee Company Inc.
6303 Airport Road, Suite 103
Mississauga, Ontario L4V 1R8

Attention: Demetrios Ragas
E-mail: jragas@mysecondcup.com

With copy to:

Fasken Martineau DuMoulin LLP
800 Square Victoria, Suite 3700
Montreal, Québec, H4Z 1E9

Attention: Constantinos Ragas
Facsimile: 514-397-7600
E-mail: cragas@fasken.com

To the Lender:

Arbat Capital Group Ltd.
Commonwealth Trust Ltd. Drake Chambers,
Road Town, Tortola, British Virgin Islands

Attention: Alexey Golubovich
E-mail: golubovich@arbatcapital.ru

With copy to:

Michael Lousteau P.L.L.C.
304 Park Ave South, 9th Floor

New York, NY 10010

Facsimile: 866-370-3125
E-mail: mike@nycstarts.it

or to such other address or addresses as either party hereto may from time to time designate to the other party in such manner.

13. Severability

Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

14. Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. No party may assign this Agreement without the prior written consent of the other party.

15. This Agreement to Govern

If there is an inconsistency between the provisions of this Agreement and the provisions of any other Loan Document, the provisions hereof shall govern and apply to the extent of the inconsistency.

16. Execution

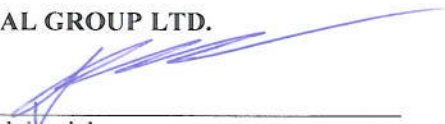
This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Agreement (including any amendments to this Agreement) by facsimile transmission or e-mail in pdf format shall be effective as delivery of an original manually executed counterpart hereof.

Please indicate your agreement and acceptance by returning a signed copy of this Agreement.

Yours very truly,

ARBAT CAPITAL GROUP LTD.

By:

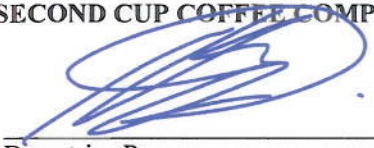


Alexey Golubovich

ACKNOWLEDGEMENT AND AGREEMENT

The undersigned acknowledges that it has received a copy of this Agreement and agrees to be bound by the terms hereof this 25 day of June, 2018.

THE SECOND CUP COFFEE COMPANY INC.

By: 

Demetrios Ragas
President and Chief Executive Officer

This is Exhibit “I” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

April 03, 2019

The Second Cup Coffee Company Inc.
7250 Keele St., Suite 404
Concord, Ontario, L4K 1Z8, Canada

Attention: Demetrios (Jim) Ragas, President and Chief Executive Officer

Dear Sir:

Re: Loan in the principal amount of USD\$1,000,000 to The Second Cup Coffee Company Inc. (the "Borrower")

This is to confirm that, subject to the Borrower's acceptance of and agreement to this Agreement, Arbat Capital Group Ltd. (the "**Lender**") is prepared to make the Loan (as defined below) to the Borrower on and subject to the terms set out below.

In consideration of the mutual obligations contained herein and for other consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Definitions

Except as otherwise defined herein, the capitalized words and expressions used in this Agreement or in its Schedules shall have the following meanings:

- (a) "**Agreement**" means this loan agreement and all Schedules attached hereto as the same may be amended, restated, replaced or superseded from time to time.
- (b) "**Banking Day**" means a day other than a Saturday or a Sunday or other day on which banks are required or authorized to close in Toronto, Canada.
- (c) "**Collateral**" means 300,000 Class A shares in the capital of the Borrower held by Demetrios Ragas.
- (d) "**Loan Documents**" means, collectively, this Agreement, the Note, and the Security Documents, and any other agreements or documents entered into in connection with the transactions contemplated herein and therein; and "**Loan Document**" means any one of them.
- (e) "**Loan Obligations**" means the indebtedness, obligations, liabilities, promises, covenants, responsibilities and duties of every kind and description (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise of the Borrower owing or incurred to the Lender arising under, by reason of or otherwise in respect of this Agreement or any other Loan Document including, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Borrower hereunder.
- (f) "**Outstanding Principal Amount**" means the principal amount of the Loan remaining outstanding and unpaid from time to time.
- (g) "**Security Documents**" means, at any time, the agreements, documents and instruments listed in Section 4 and each additional agreement, document and instrument delivered to or for the benefit of the Lender at or before such time to secure or guarantee, directly or indirectly, the payment or performance of any of the Loan Obligations.

2. Loan

- (a) Loan Amount. Upon and subject to the conditions hereof, the Lender agrees to loan an aggregate principal amount of USD\$1,000,000 (the "**Loan**"), to be disbursed to the Borrower or as directed by the Borrower, no later than 5 days from the date hereof.
- (b) Use of Funds. The Loan shall be used by the Borrower for general corporate purposes.
- (c) Promissory Note. If required by the Lender, the Loan shall be evidenced by a promissory note (a "**Note**") to be executed by the Borrower and dated as of the date of disbursement of the Loan. The term "Note" as used herein shall include all amendments or supplements thereto or replacements thereof. The following shall be inscribed on each Note:

"THE OBLIGATIONS DUE UNDER THIS NOTE ARE SECURED BY A SECURITIES PLEDGE AGREEMENT (THE "SECURITIES PLEDGE AGREEMENT") DATED AS OF April 03, 2019 AND EXECUTED BY THE PLEDGOR FOR THE BENEFIT OF THE LENDER. ADDITIONAL RIGHTS OF THE LENDER ARE SET FORTH IN THE SECURITIES PLEDGE AGREEMENT."

3. Interest, Term and Repayment

- (a) Interest. Interest shall accrue on the Outstanding Principal Amount from and after the disbursement of the Loan until repayment in full at the fixed rate of 10% per annum. Interest shall be payable by the Borrower on the first Banking Day of every quarter commencing on July 1, 2019. As and from the occurrence of an Event of Default (defined below), the Outstanding Principal Amount shall accrue additional interest at the fixed rate of 5% per annum.
- (b) Term and Repayment. The term of the Loan shall be twenty-four (24) months commencing on the date of the disbursement of the Loan, and ending on April 10, 2021 (the "**Maturity Date**"). The Outstanding Principal Amount shall be repaid by the Borrower to the Lender together with any interest accrued and unpaid and expenses accruing pursuant to the terms of this Agreement, on the Maturity Date, and the Loan shall be automatically terminated on such date.
- (c) Prepayments. The Borrower shall at any time have the right to prepay all or any part of the Outstanding Principal Amount, together with interest thereon through the Maturity Date, and any other amounts outstanding, at any time or from time to time, without notice, penalty or bonus, provided the amount of the prepayment shall be at least USD\$25,000. Amounts which are prepaid as aforesaid may not be re-borrowed. Any such prepayment will be applied first to the payment of expenses due to Lender, second to interest accrued on the Loan and third, if the amount of prepayment exceeds the amount of all such expenses and accrued interest, to the payment of Outstanding Principal Amount.
- (d) Place of Payment. All payments to the Lender shall be made by electronic transfer to the accounts designated by the Lender from time to time in writing or such other means that the Lender may from time to time advise the Borrower in writing. Any payment received after 3:00 p.m. (Toronto time) on a Banking Day shall be credited for value on the next following Banking Day.

4. Security

- (a) Security Documents. To secure the due payment and performance of the Loan Obligations, the Borrower shall deliver or cause to be delivered to the Lender, each of the agreements, documents and instruments (each in form and substance satisfactory to the Lender) listed below, concurrently with the execution of this Agreement:
 - (i) a securities pledge agreement, substantially in the form presented to the Lender on the date hereof, creating a first priority lien in favour of the Lender in the Collateral; and

- (ii) the certificate(s) representing the Collateral, together with security transfer form(s) in respect thereof, signed in blank and undated.
- (b) Registration. Unless the Lender notifies the Borrower otherwise, the Borrower shall cause the Borrower's counsel to register the security created under the Loan Documents (or a financing statement, notice or other document in respect thereof) on behalf of the Lender in all offices where (a) such registration is necessary to create, preserve, protect and perfect the security created under the Loan Documents and its validity, effect, priority and perfection at all times, and/or (b) the Lender's counsel specifically requests.
- (c) Further Assurances. The Borrower shall forthwith and from time to time on request from the Lender, execute or cause to be executed, all such documents (including any change to any Loan Document) and do or cause to be done all such other matters and things which in the reasonable opinion of the Lender or the Lender's counsel may be necessary (so far as may be possible under any applicable law) to establish the priority intended to be created by the Loan Documents. It is the intention of the parties that the Lender will, among other things, have a first priority lien over all Collateral.

5. Representations and Warranties

To induce the Lender to make the Loan available to the Borrower, the Borrower represents and warrants to and in favour of the Lender as follows:

- (a) Existence and Good Standing. The Borrower is a corporation duly and validly incorporated and existing under the *Business Corporations Act* (Ontario) and has the legal capacity and right to own its assets and to carry on its business in each jurisdiction in which its assets are located or it carries on business.
- (b) Authority. The Borrower has the legal capacity and right to enter into each Loan Document to which it is a party and do all acts and things and execute and deliver all documents as are required thereunder to be done, observed or performed by it in accordance with the terms and conditions thereof.
- (c) Due Authorization; No Breach. The Borrower has taken all necessary action to authorize the execution and delivery of each Loan Document to which it is a party, the creation and performance of its obligations thereunder and the consummation of the transactions contemplated thereby. The execution and delivery of this Agreement by the Borrower, and the fulfilment by the Borrower of the terms, conditions and provisions hereof will not contravene or violate or result in a breach or a default, in any material respect, under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligations of the Borrower under:
 - (i) any applicable Law;
 - (ii) any material judgment, order, writ, injunction or decree of any regulatory authority having jurisdiction over the Borrower;
 - (iii) the articles, by-laws or any resolutions of the Board of Directors or shareholders of the Borrower; or
 - (iv) the shareholders agreement of the Borrower.
- (d) Due Execution. The Borrower has duly executed and delivered the Loan Documents to which it is a party.

6. Covenants

Until payment in full of all Loan Obligations owing to the Lender, the Borrower will:

- (a) duly and punctually pay each sum payable by it under each Loan Document to which it is a party in the manner specified in such Loan Document;

- (b) insure and keep insured all of its property and assets in accordance with good commercial practice;
- (c) maintain its corporate existence in good standing and do or cause to be done all things necessary to keep in full force and effect all properties, rights, franchises, licences and qualifications including those which are material for the Borrower to carry on business in any jurisdiction in which it carries on business, and Borrower shall maintain all of its respective properties and assets consistent with industry standards and past practices;
- (d) comply with applicable laws in all material respects;
- (e) keep proper books of record and account, in which full and correct entries shall be made of all financial transactions in accordance with International Financial Reporting Standards, and provide the Lender with annual financial statements, and provide a report on the Borrower's receivables and payables at the Lender's request;
- (f) permit the Lender at any reasonable time or times, within normal business hours, following reasonable notice to Borrower, to visit the properties of, and examine and make copies of and abstracts from the books and records of Borrower, as applicable.

7. Events of Default

The occurrence of any one or more of the following events (being herein referred to as an “**Event of Default**”) shall constitute a default under this Agreement:

- (a) Default in Payment. If the Borrower fails to pay any amount of the Outstanding Principal Amount, or to pay any interest or other amounts when due and payable under this Agreement or any other Loan Documents and such payment shall not have been made within five (5) Banking Days of the due date thereof.
- (b) Default in Performance, Etc. If the Borrower defaults in the performance or observance of any term, condition or covenant contained in this Agreement or any other Loan Document.
- (c) Insolvency. If the Borrower shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally as they become due or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of ten (10) days or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee custodian or other similar official for it or for any substantial part of its property) shall occur.
- (d) Default Under Other Instruments. A default or event of default (subject to any applicable grace or cure period) shall occur under any other material agreement, indebtedness, lease, document or instrument to which Borrower is bound and shall persist until the earlier of (i) five (5) Banking Days after notice of such default is sent to Borrower by the Lender or (ii) ten (10) Banking Days after Borrower shall become or should have become aware of such default.
- (e) Misrepresentation. If any representation or warranty made by the Borrower in this Agreement or any other Loan Document shall prove to have been incorrect or misleading in any material respect when made or deemed to be made.

- (f) Sale of the Business. Any sale of the business of the Borrower, whether by a sale of all or substantially all the assets of the Borrower, or the sale of all of the issued and outstanding shares in the share capital of the Borrower.
- (g) Judgments. Any order or judgment for the payment of money in excess of USD\$500,000 shall be rendered against Borrower and such order or judgment shall continue unsatisfied and unstayed for more than the time permitted by applicable law for an appeal of such judgment to be filed.
- (h) Contest of Loan Documents. Borrower shall disavow, revoke or terminate any Loan Document to which it is a party or shall otherwise challenge or contest in any action, suit or proceeding in any court or before any arbitrator or governmental body the validity or enforceability of any Note or any other Loan Document.
- (i) Restraint on Activities. The Borrower is enjoined, restrained or in any way prevented by the order of any court or any administrative or regulatory agency from conducting all or any material part of its business and such order continues for more than the time permitted by applicable law for an appeal of such judgment to be filed.
- (j) Dissolution. Any dissolution, winding up of Borrower or any order, judgment or decree is entered against Borrower decreeing the dissolution or split up of Borrower and such order remains undischarged or unstayed for a period in excess of sixty (60) days.

8. Acceleration

- (a) Upon the occurrence of any Event of Default (other than an Event of Default described in Section 7(c)) and at any time thereafter during the continuance of such Event of Default, the Lender may, by written notice to the Borrower, declare all outstanding Loan Obligations to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Loan Documents to the contrary notwithstanding. Upon the occurrence of any Event of Default described in Section 7(c), immediately and without notice, all outstanding Obligations payable by the Borrower hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Loan Documents to the contrary notwithstanding.
- (b) In addition to the foregoing remedies, upon the occurrence and during the continuance of any Event of Default, the Lender may exercise any other right power or remedy granted to them by the Loan Documents or otherwise permitted by law, either by suit in equity or by action at law, or both, it being understood that no remedy provided for herein or provided for therein conferred or reserved is exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given to the Lender under the Note and each other Loan Document or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power by the Lender accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to exercise any remedy reserved to the Lender under the Note or any other Loan Document, it shall not be necessary to give any notice, other than such notice as may be herein expressly required herein or in such other Loan Document.

9. General

- (a) Waivers. The Lender may waive any breach by the Borrower of any provision of this Agreement or any other Loan Document to which the Borrower is a party or performance of any covenant or condition to be observed or performed by the Borrower hereunder or any other Loan Document to which the Borrower is a party. No waiver and no act or omission by the Lender in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach, whether of the same or a different nature, or the rights arising therefrom.

- (b) Further Assurances. Each party shall take such action and execute and deliver such documents as the other party may reasonably request from time to time to give effect to the terms, conditions, provisions, purpose and intent of this Agreement.
- (c) Agreements. Each reference in this Agreement to any agreement or document shall be construed to include such agreement or document (including any attached schedules, appendices and exhibits) and each amendment made to it at or before the time in question.
- (d) Headings, etc. The Article and Section headings in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Agreement. The terms “**this Agreement**”, “**hereof**”, “**hereunder**” and similar expressions refer to this Agreement and not to any particular Article, Section, Subsection, Schedule, paragraph, subparagraph, clause or other portion of this Agreement.
- (e) Grammatical Variations. In this Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference herein shall be construed in like manner.
- (f) Certain references. To the extent the context so admits, any reference in this Agreement to “**include**”, “**includes**” and “**including**” shall be construed to be followed by the statement “without limitation” and none of such terms shall be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.
- (g) Amendment. This Agreement and other Loan Documents and documents collateral hereto may be modified or amended only if the Borrower and the Lender so agree in writing.
- (h) Entire Agreement. This Agreement and the Loan Documents constitute the entire agreement between the parties with respect to the subject matters hereof and thereof and cancel and supersede any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, conditions, other agreements or acknowledgments, whether direct or collateral, express or implied, that form part of or affect this Agreement or any other Loan Document other than as expressed herein or in such other Loan Document. The execution of each Loan Document has not been induced by, nor does the Borrower rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgments not expressly made in any Loan Document.

10. Governing Law

This Agreement and all documents delivered pursuant hereto shall, unless otherwise specified therein, be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

11. Time of the Essence

Time shall in all respect be of the essence of this Agreement, and no extension or variation of this Agreement or of any obligation hereunder shall operate as a waiver of this provision.

12. Notices

All notices and other communications provided for herein shall be in writing and shall be delivered by courier or personally delivered to an officer or a responsible representative of the Lender or the Borrower, as the case may be, or sent by facsimile or other direct electronic means, charges prepaid, as follows:

To the Borrower:

The Second Cup Coffee Company Inc.
7250 Keele St., Suite 404
Concord, Ontario, L4K 1Z8, Canada

Attention: Demetrios Ragas
E-mail: jragas@mysecondcup.com

With copy to:

Fasken Martineau DuMoulin LLP
800 Square Victoria, Suite 3700
Montreal, Québec, H4Z 1E9

Attention: Constantinos Ragas
Facsimile: 514-397-7600
E-mail: cragas@fasken.com

To the Lender:

Arbat Capital Group Ltd.
Commonwealth Trust Ltd. Drake Chambers,
Road Town, Tortola, British Virgin Islands

Attention: Alexey Golubovich
E-mail: golubovich@arbatcapital.ru

With copy to:

Michael Lousteau PLLC
304 Park Ave South, 9th Floor
New York, NY 10010

Facsimile: 866-370-3125
E-mail: mike@nycstarts.it

or to such other address or addresses as either party hereto may from time to time designate to the other party in such manner.

13. Severability

Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

14. Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. No party may assign this Agreement without the prior written consent of the other party, provided however that the Lender may assign its rights and obligations hereunder to an affiliate of the Lender without the consent of the Borrower.

15. This Agreement to Govern

If there is an inconsistency between the provisions of this Agreement and the provisions of any other Loan Document, the provisions hereof shall govern and apply to the extent of the inconsistency.

16. Execution

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Agreement (including any amendments to this Agreement) by facsimile transmission or e-mail in pdf format shall be effective as delivery of an original manually executed counterpart hereof.

Please indicate your agreement and acceptance by returning a signed copy of this Agreement.

Yours very truly,

ARBAT CAPITAL GROUP LTD.

By:



Alexey Golubovich

ACKNOWLEDGEMENT AND AGREEMENT

The undersigned acknowledges that it has received a copy of this Agreement and agrees to be bound by the terms hereof this 03 day of April, 2019.

THE SECOND CUP COFFEE COMPANY INC.

By:



Demetrios Ragas
President and Chief Executive Officer

This is Exhibit “J” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

May 6, 2019

The Second Cup Coffee Company Inc.
7250 Keele St., Suite 404
Concord, Ontario, L4K 1Z8, Canada

Attention: Demetrios (Jim) Ragas, President and Chief Executive Officer

Dear Sir:

Re: Amending Agreement related to Loan Documents executed on or about April 3, 2019 between Arbat Capital Group Ltd. (the "Lender") and The Second Cup Coffee Company Inc. (the "Borrower")

We refer to the loan agreement dated April 3, 2019 between the Lender and the Borrower (the "**Loan Agreement**") pursuant to which the Lender agreed to loan to the Borrower an amount of USD\$1,000,000 (the "**Original Loan**"). Capitalized used but not defined herein have the meanings set forth in the Loan Agreement.

Pursuant to this amending agreement, the Lender hereby agrees to loan to the Borrower an additional amount of USD\$500,000 (the "**Additional Loan**", and collectively with the Original Loan, the "**Loan**"), upon the same terms and conditions set forth in the Loan Agreement, provided however that the Maturity Date in respect of the Additional Loan shall be the one year anniversary of the date of disbursement of the Additional Loan (the "**Additional Loan Maturity Date**"). The parties agree that the Collateral set forth in the Loan Agreement is sufficient for all purposes relating to this amending agreement and the Additional Loan, and accordingly, no additional Collateral is required.

All other terms and conditions of the Loan Agreement remain unchanged.

Please indicate your agreement and acceptance by returning a signed copy of this amending agreement.

Yours very truly,

ARBAT CAPITAL GROUP LTD.

By: _____

Alexey Golubovich



ACKNOWLEDGEMENT AND AGREEMENT

The undersigned acknowledges that it has received a copy of this amending agreement and agrees to be bound by the terms hereof this 6th day of May, 2019.

THE SECOND CUP COFFEE COMPANY INC.

By: _____

Demetrios Ragas
President and Chief Executive Officer

The undersigned acknowledges that it has received a copy of this amending agreement and acknowledges and agrees that all references to: (i) the Loan Agreement shall be deemed to include the amendments contemplated by this amending agreement; and (ii) a Principal Amount of USD\$1,000,000 under the Securities Pledge Agreement dated as of April 3, 2019 (the "**Securities Pledge Agreement**") are hereby amended and replaced by a Principal Amount of USD\$1,500,000. All other terms and conditions of the Securities Pledge Agreement remain unchanged.

DEMETRIOS RAGAS



This is Exhibit “K” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

July 22, 2019

The Second Cup Coffee Company Inc.
7250 Keele St., Suite 404
Concord, Ontario, L4K 1Z8, Canada

Attention: Demetrios (Jim) Ragas, President and Chief Executive Officer

Dear Sir:

Re: Second Amending Agreement related to Loan Documents executed on or about April 3, 2019 between Arbat Capital Group Ltd. (the "Lender") and The Second Cup Coffee Company Inc. (the "Borrower")

We refer to the loan agreement dated April 3, 2019 between the Lender and the Borrower (the "Original Loan Agreement") pursuant to which the Lender agreed to loan to the Borrower an amount of USD\$1,000,000 (the "Original Loan"), as amended pursuant to an amending agreement dated May 6, 2019 (the "First Amending Agreement", and collectively with the Original Loan Agreement, the "Loan Agreement"). Capitalized used but not defined herein have the meanings set forth in the Loan Agreement.

Pursuant to this amending agreement, the Lender hereby agrees to loan to the Borrower an additional amount of USD\$500,000 (the "Second Additional Loan", and collectively with the Original Loan and the Additional Loan, as defined in the First Amending Agreement, the "Loan"), upon the same terms and conditions set forth in the Loan Agreement, provided however that the Maturity Date in respect of the Second Additional Loan shall be the one year anniversary of the date of disbursement of the Second Additional Loan (the "Additional Loan Maturity Date").

If required by the Lender, the Second Additional Loan shall be evidenced by a promissory note (a "Note") to be executed by the Borrower and dated as of the date of disbursement of the Second Additional Loan. The term "Note" as used herein shall include all amendments or supplements thereto or replacements thereof. The following shall be inscribed on the Note:

"THE OBLIGATIONS DUE UNDER THIS NOTE ARE SECURED BY A SECURITIES PLEDGE AGREEMENT (THE "SECURITIES PLEDGE AGREEMENT") DATED AS OF APRIL 3, 2019 (AS AMENDED) AND EXECUTED BY THE PLEDGOR FOR THE BENEFIT OF THE LENDER. ADDITIONAL RIGHTS OF THE LENDER ARE SET FORTH IN THE SECURITIES PLEDGE AGREEMENT."

All other terms and conditions of the Loan Agreement remain unchanged.

Please indicate your agreement and acceptance by returning a signed copy of this amending agreement.

Yours very truly,

ARBAT CAPITAL GROUP LTD.

By: _____

Alexey Golubovich



ACKNOWLEDGEMENT AND AGREEMENT

The undersigned acknowledges that it has received a copy of this second amending agreement and agrees to be bound by the terms hereof this 22 day of July, 2019.

THE SECOND CUP COFFEE COMPANY INC.

By: _____


Demetrios Ragas
President and Chief Executive Officer

The undersigned acknowledges that it has received a copy of this second amending agreement and acknowledges and agrees that all references to: (i) the Loan Agreement shall be deemed to include the amendments contemplated by this amending agreement; and (ii) the Principal Amount of USD\$1,500,000 under the Securities Pledge Agreement dated as of April 3, 2019, as amended by the First Amending Agreement (the "Securities Pledge Agreement"), is hereby amended and replaced by a Principal Amount of USD\$2,000,000. Furthermore, the undersigned acknowledges and agrees to increase the amount of the Collateral available to the Lender pursuant to the Securities Pledge Agreement by 1,366,667 Class A shares in the capital of the Borrower, such that all references to "Collateral" under the Securities Pledge Agreement are amended and replaced by an aggregate of 1,666,667 Class A shares in the capital of the Borrower. All other terms and conditions of the Securities Pledge Agreement remain unchanged.



DEMETRIOS RAGAS



This is Exhibit “L” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

Arbat Capital Group Limited

The Second Cup Coffee Company Inc.
Attn: Finance Dept

01 February 2021

Dear Sirs,

In connection with the request of our auditors Baker Tilly Klitou and Partners (Limassol) Ltd we ask that you kindly confirm to them the balance of the loan payable to us, which according to our records at 31 December 2019 amounted to:

Agreement	Currency	Principal amount	Interest accrued
Loan Agr.dd 03.04.19	USD	2,000,000.00	94,013.70
Loan Agr.dd 25.06.18	GBP	400,000.00	92,054.79

If the above amount is in agreement with your records, please sign in the space provided below and return this letter to our auditors-

Baker Tilly Klitou and Partners (Limassol) Ltd
P.O. Box 57328
CY-3314 Limassol
Cyprus
Fax Nr – 00357 - 25591545
e-mail: s.gregoriou@bakertillyklitou.com

If the above amount is not in agreement with your records, please notify our auditors directly of the amount shown by your records and if possible, send them full particulars of the difference.

It will be of assistance if you will give your early attention.

Yours faithfully



Director

The above balance due to you is in agreement with our records.

Date..... Feb 22, 2021

Signature..... 

Title & position.. PRESIDENT & CEO

Name JIM RAGAS

Company stamp.....



This is Exhibit “M” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

Arbat Capital Group Limited

The Second Cup Coffee Company Inc.
Attn: Finance Dept

18 February 2021

Dear Sirs,

In connection with the request of our auditors Baker Tilly Klitou and Partners (Limassol) Ltd we ask that you kindly confirm to them the balance of the loan payable to us, which according to our records at 31 December 2020 amounted to:

Agreement	Currency	Principal amount	Interest accrued
Loan Agr.dd 03.04.19	USD	2,000,000.00	294,013.70
Loan Agr.dd 25.06.18	GBP	400,000.00	160,964.38

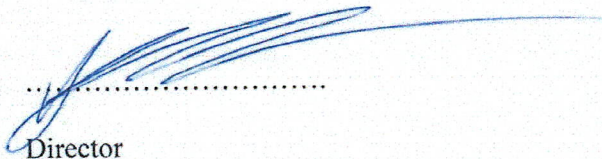
If the above amount is in agreement with your records, please sign in the space provided below and return this letter to our auditors-

Baker Tilly Klitou and Partners (Limassol) Ltd
P.O. Box 57328
CY-3314 Limassol
Cyprus
Fax Nr – 00357 - 25591545
e-mail: s.gregoriou@bakertillyklitou.com

If the above amount is not in agreement with your records, please notify our auditors directly of the amount shown by your records and if possible, send them full particulars of the difference.

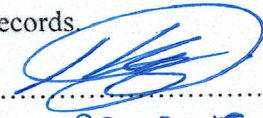
It will be of assistance if you will give your early attention.

Yours faithfully


.....
Director

The above balance due to you is in agreement with our records.

Date Feb 22 2021

Signature..... 

Title & position..... PRESIDENT & CEO

Name..... JIM RAGAS

Company stamp.....



This is Exhibit “N” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

Arbat Capital Group Ltd.

The Second Cup Coffee Company Inc
Attn: Finance Dept

2 November 2022

Dear Sirs,

In connection with the request of our auditors Baker Tilly Klitou and Partners (Limassol) Ltd we ask that you kindly confirm to them the balance of the loan payable to us, which according to our records as at 31 December 2021 were as follows:

Agreement	Principal	Interest accrued	Principal	Interest accrued
	GBP	GBP	\$	\$
LA 25.06.18	400.000	224.964	541.280	304.422
LA 03.04.19			2.000.000	494.014

If the above amount is in agreement with your records, please sign in the space provided below and return this letter to our auditors-

Baker Tilly Klitou and Partners (Limassol) Ltd
P.O. Box 57328
CY-3314 Limassol
Cyprus
Fax Nr – 00357 - 25591545
e-mail: s.gregoriou@bakertillyklitou.com

If the above amount is not in agreement with your records, please notify our auditors directly of the amount shown by your records and if possible, send them full particulars of the difference.

It will be of assistance if you will give your early attention.

Yours faithfully

.....
Timothy Lewin
Director

The above balance due to you is in agreement with our records.

Date 02.11.2022

Signature.....

Title & position.....

Name.....

Company stamp.....



This is Exhibit “O” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

Arbat Capital Group Limited

To whom it's may concern

December 31, 2023

Dear Sirs,

Hereby we kindly ask you to confirm balances of the loans payable to us by **The Second Cup Coffee Company Inc**, which according to our records as at 31 December 2022 were as follows:

Agreement	Principal	Interest accrued	Principal	Interest accrued
	GBP	GBP	\$	\$
LA 03.04.19			2,000,000	694,014
LA 25.06.18	400,000	288,964	483,320	349,156

Hereby we also kindly ask you to confirm balances of the loans payable to us by **The Second Cup Coffee Company Inc**, which according to our records as at 31 December 2023 were as follows:

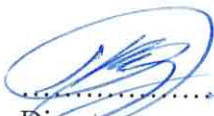
Agreement	Principal	Interest accrued	Principal	Interest accrued
	GBP	GBP	\$	\$
LA 03.04.19			2,000,000	894,014
LA 25.06.18	400,000	352,964	509,240	449,359

If the above amounts are in agreement with your records, please sign in the space provided below.

If the above amounts are not in agreement with your records, please notify us of the amounts shown by your records and if possible, send us full particulars of the difference.

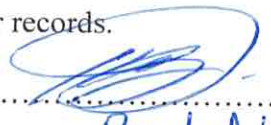
It will be of assistance if you will give your early attention.

Yours faithfully


.....
Director

The above balance due to you is in agreement with our records.

Date... July 7/2024

Signature... 

Title & position... President & CEO

Name... JIM RAGAS

Company stamp.....



This is Exhibit “P” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

SECURITIES PLEDGE AGREEMENT

THIS SECURITIES PLEDGE AGREEMENT (the "**Agreement**"), dated as of April 03, 2019, is executed by Demetrios Ragas (the "**Pledgor**"), being a shareholder of THE SECOND CUP COFFEE COMPANY INC. (the "**Borrower**") in favor of ARBAT CAPITAL GROUP LTD. ("**Lender**"). This is the "Securities Pledge Agreement" contemplated by that certain Loan Agreement (the "**Loan Agreement**") of even date herewith between the Borrower and the Lender. Unless otherwise defined in this Agreement, terms defined in the Loan Agreement and used in this Agreement have the respective meanings attributed to them in the Loan Agreement.

RECITALS

A. The Borrower wishes to borrow an amount of USD\$1,000,000 (the "**Principal Amount**") from the Lender in accordance with the terms of the Loan Agreement.

B. Lender's willingness to lend the Principal Amount is subject to receipt by it of this Agreement duly executed by the Pledgor.

AGREEMENT

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Pledgor hereby agrees with Lender as follows:

1. Grant of Security

- (a) Security. As general and continuing collateral security for the due payment and performance of the Loan Obligations, the Pledgor hereby charges, mortgages, hypothecates, pledges and assigns and grants a security interest in 300,000 Class A shares in the capital of the Borrower registered in the name of such Pledgor (the "**Collateral**") to and in favour of the Lender.
- (b) Delivery of the Collateral. The Pledgor shall transfer the Collateral to the Lender's counsel, to be held in trust, as soon as reasonably practicable following the disbursement of the Principal Amount, and together with the Collateral, a securities transfer form in respect of the Collateral. Where the Collateral, or any other security represented by an original certificate, is delivered to and received by the Lender, the Lender will deliver to the Pledgor a receipt in the form specified by the Lender evidencing receipt thereof.
- (c) Attachment. The Pledgor agrees that value has been given, that the Pledgor and the Lender have not agreed to postpone the time for attachment of the Liens granted by the Pledgor to the Lender in this Agreement (the "**Security**") and that the Security is intended to attach, as to all of the Collateral in which the Pledgor now has rights, when the Pledgor executes this Agreement and, as to all Collateral in which the Pledgor only has rights after the execution of this Agreement, when the Pledgor first has such rights. For certainty, the Pledgor confirms and agrees that the Security is intended to attach to all present Collateral of the Pledgor and each successor of the Pledgor. In this Agreement, "**Lien**" means (i) any right of set-off intended to secure the payment or performance of an obligation, (ii) any interest in property created by way of mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest or deposit arrangement, (iii) any statutory deemed trust or lien, (iv) any preference, priority, adverse claim, levy, execution, seizure, attachment, garnishment or other encumbrance which binds property, and (v) any agreement to grant any of the rights or interests described in clauses (i) to (iv) inclusive of this definition. For certainty "Lien" does not include put options.
- (d) Control. At the request of the Lender, the Pledgor will take all reasonable action that the Lender deems necessary to cause the Lender to have control over any Collateral, including (a) causing the Collateral to be transferred to or registered in the name of the Lender or its nominee or otherwise as the Lender may direct, (b) endorsing any certificated Collateral to the Lender or in blank by an effective endorsement, (c) delivering the Collateral to the Lender or someone on its behalf as the Lender may direct (d) delivering to the Lender any and all consents or other documents or agreements which may be necessary to effect the transfer of any Collateral to the Lender or any third party and (e) entering into control agreements with the

Lender and the applicable securities intermediary or Issuer in respect of any Collateral in form and substance satisfactory to the Lender.

- (e) Notice of Change. The Pledgor shall provide the Lender with at least twenty (20) days prior written notice before it (a) changes the location of its chief executive office, principal place of business or principal place of residence to a different jurisdiction (as these terms are used in subsection 7(3) of the *Personal Property Security Act* (Ontario)) and of full particulars of such new location, (b) changes its name or adopts a new or different English or French form of name and of such new or different name and (c) changes the location where it maintains the records relating to the Collateral and of full particulars of such new location.
- (f) Duty of Care. The Lender shall not have any duty of care to the Pledgor with respect to Collateral in physical form which is delivered to the Lender to be held by it pursuant to this Agreement, other than to use the same care in the physical custody and physical preservation of such Collateral as it would with its own physical property of like nature.

2. Dealing with Collateral

- (a) Rights of Pledgor. Until an Event of Default occurs the Pledgor may, without the prior consent in writing of the Lender:
 - (i) distribute earnings, dividends and gains realized on the Collateral (collectively, “**Distributions**”); and
 - (ii) exercise any Collateral Right for any purpose which is not inconsistent with the provisions or intent of the Security or any Loan Document and which does not impair the realizable value or restrict the transferability of any Collateral or adversely affect the rights of the Lender. In this Agreement, “**Collateral Right**” means any right that a holder of Collateral may exercise now or in the future in relation to such Collateral, whether pursuant to the constitutional documents of the Borrower, any shareholder, partnership or voting trust agreement or any other agreement affecting rights in any class of shares of the Borrower, or otherwise, including the right to receive all Distributions declared or payable on or in respect of Collateral and the income or proceeds of Collateral, the right to vote Collateral, any right to acquire more securities of the Borrower, any right to convert or exchange Collateral for any other securities or other property and any dissent and appraisal rights associated with Collateral.
- (b) Obligations of Lender. As long as no Event of Default occurs, the Lender will permit the Pledgor to exercise any Collateral Rights which the Pledgor is permitted to exercise pursuant to and in accordance with the provisions of this Agreement.
- (c) Restrictions on Pledgor. The Pledgor shall not, without the prior consent in writing of the Lender, dispose of Collateral or create, assume or suffer to permit to exist any Lien upon Collateral. Any purported disposal of or grant of any Lien on Collateral by the Pledgor that is not in compliance with this Section 2(c) shall be void.

3. Defaults and Remedies

- (a) Upon the occurrence of an Event of Default, the Security shall become enforceable and the Lender shall have the rights, and the Pledgor shall have the obligations, set out in this Section 3:
 - (i) The Pledgor shall not be entitled to any Distributions and if the Pledgor receives any Distributions upon or following the occurrence of an Event of Default, the Pledgor agrees to hold such Distributions received in trust for the benefit of the Lender, to segregate those Distributions from the Pledgor’s other funds or property and to transfer them forthwith upon receipt to the Lender, and the Lender may assume control of any Distributions arising from the Collateral.

- (ii) The Lender may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with the Collateral in such manner, upon such terms and conditions and at such time as Lender deems advisable without notice to the Pledgor (except as otherwise required by applicable law), and may charge on Lender's own behalf, and pay to others, Lender's costs and expenses (including reasonably legal and accounting fees and expenses, on a full indemnity basis) incurred in connection with such actions.
 - (iii) The Lender may elect to retain any Collateral in satisfaction of the Loan Obligations, subject to the rights of The Second Cup Ltd. pursuant to that certain letter agreement entered into by Second Cup International dated June 27, 2009 (the "ROFO").
 - (iv) Any payments received in respect of the Loan Obligations from time to time, and any monies realized on any Collateral may, notwithstanding any appropriation by the Pledgor but subject to the Loan Agreement and the Loan Documents, be appropriated by the Lender against such Loan Obligations as the Lender sees fit.
 - (v) Lender may (a) enter into any extension, deposit, or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Collateral; (b) make any compromise or settlement, and take any action it deems advisable, with respect to the Collateral; (c) insure, process and preserve the Collateral; (d) pay any indebtedness of any Pledgor relating to the Collateral, with full indemnity to Lender against the value of the Collateral itself; and (f) execute other documents, instruments and agreements required to effect Lender's remedies hereunder.
- (b) Lender shall be entitled to exercise the rights set forth in this Section 3 without presentment, demand or protest and need not give any notice or take any other action prior to doing so.

4. Discharge

Upon the payment to the Lender of the full amount of all Loan Obligations in accordance with the terms expressed in the Loan Agreement, the Lender will, within a reasonable time following a written request from the Pledgor and at the sole cost and expense of such Pledgor, transfer the Collateral to the Pledgor and execute and deliver to the Pledgor such documents (without recourse to or any representation or warranty of any kind by the Lender) as shall be requisite to discharge the Security and transfer the Collateral to the Pledgor.

5. Representations and Warranties

The Pledgor represents and warrants to Lender that: (a) where the Pledgor is not an individual, such Pledgor is a corporation duly organized, validly, existing and in good standing under the laws of its jurisdiction of incorporation or formation; (b) the execution, delivery and performance by Pledgor of this Agreement are within the power of Pledgor and, where the Pledgor is not an individual, have been duly authorized by all necessary actions on the part of Pledgor; (c) this Agreement has been duly executed and delivered by Pledgor and constitutes a legal, valid and binding obligation of Pledgor, enforceable against it in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally; (d) the execution, delivery and performance of this Agreement do not (i) violate any law, rule or regulation of any governmental authority, (ii) contravene any material contractual obligation of Pledgor, or (iii) except as set forth herein in favour of the Lender, result in the creation or imposition of any material Lien, upon any property, asset or revenue of Pledgor; (e) subject to the compliance of the Borrower with its obligations pursuant to the terms of the ROFO, no consent, approval, order or authorization of, or registration, declaration or filing with, any governmental authority or other person (including, without limitation, the shareholders of Pledgor) is required in connection with the execution, delivery and performance of this Agreement, except such consents, approvals, orders, authorizations, registrations, declarations and filings that are so required and which have been obtained and are in full force and effect; (f) Pledgor is not in violation of any law, rule or regulation other than those the consequences of which would not be reasonably be expected to have material adverse effect on the business, financial condition, prospects and properties of Pledgor; (g) no litigation, investigation or proceeding of any court or other governmental tribunal is pending or, to the knowledge of Pledgor, threatened against Pledgor which, if adversely determined,

could have a material adverse effect on the business, financial condition, prospects and proper-ties of Pledgor; and (h) except as set forth herein in favour of the Lender, there are no Liens on the Collateral.

6. Covenants

- (a) The Pledgor has not consented to, will not consent to, and has no knowledge of any control by any person with respect to any Collateral, other than the Lender.
- (b) The Pledgor will pay promptly when due all taxes, assessments and other charges upon the Collateral owned by such Pledgor.
- (c) The Pledgor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are reasonably requested by the Lender at any time to register, file, perfect, maintain, protect, and enforce the Security including (i) executing, recording and filing financing or other statements, and paying all taxes, fees and other charges payable, (ii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Agreement constitutes a valid and perfected first ranking security interest, and (iii) executing and delivering any certificates, endorsements, instructions, agreements, documents and instruments. The documents contemplated by this paragraph must be in form and substance satisfactory to the Lender (acting reasonably).

7. Miscellaneous.

- (a) Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by courier or personally delivered to an officer or a responsible employee of the Lender or the Borrower, as the case may be, or sent by facsimile or other direct electronic means, charges prepaid, as follows:

To the Pledgor:

Demetrios Ragas
96 Fifeshire Road, PH-601
Toronto (Ontario) M2L 2X9

E-mail: jragas@mysecondcup.com

With copy to:

Fasken Martineau DuMoulin LLP
800 Square Victoria, Suite 3700, P.O. Box 242
Montreal (Québec) H4Z 1E9

Attention: Me Constantinos Ragas
Facsimile: 514-397-5244
E-mail: cragas@fasken.com

To the Lender:

Arbat Capital Group Ltd.
Commonwealth Trust Ltd. Drake Chambers,
Road Town, Tortola, British Virgin Islands

Attention: Alexey Golubovich
E-mail: golubovich@arbatcapital.ru

With copy to:

Michael Lousteau PLLC
304 Park Ave South, 9th Floor
New York, NY 10010

Facsimile: 866-370-3125
E-mail: mike@nycstarts.it

or to such other address or addresses as either party hereto may from time to time designate to the other party in such manner.

- (b) Non-waiver. No failure or delay on Lender's part in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.
- (c) Amendments and Waivers. This Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by Pledgor and Lender. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.
- (d) Assignments. This Agreement shall be binding upon and inure to the benefit of Lender and Pledgor and their respective successors and assigns; provided, however, that the Pledgor may not assign its rights and obligations hereunder without the prior written consent of Lender.
- (e) Cumulative Rights, etc. The rights, powers and remedies of Lender under this Agreement shall be in addition to all rights, powers and remedies given to Lender by virtue of any applicable law, rule or regulation, the Loan Documents or any other agreement, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing Lender's rights hereunder.
- (f) Partial Invalidity. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law or any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.
- (g) Governing Law. This Agreement and all documents delivered pursuant hereto shall, unless otherwise specified therein, be governed by and construed in accordance with the laws of the Province of Ontario.

(Signatures on following page)

IN WITNESS WHEREOF, Pledgor has caused this Agreement to be executed as of the day and year first above written.



DEMETRIOS RAGAS

AGREED AND ACCEPTED on this 03 day of April, 2019.

ARBAT CAPITAL GROUP LTD.

By:



Alexey Golubovich

This is Exhibit “Q” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

June 14th, 2018

The Second Cup Coffee Company Inc.
6303 Airport Road, Suite 103
Mississauga, Ontario, L4V 1R8, Canada

Attention: Demetrios (Jim) Ragas, President and Chief Executive Officer

Dear Sir:

Re: Loan in the principal amount of £300,000 to The Second Cup Coffee Company Inc. (the “Borrower”)

This is to confirm that, subject to the Borrower’s acceptance of and agreement to this Agreement, Park Investors LLC (the “**Lender**”) is prepared to make the Loan (as defined below) to the Borrower on and subject to the terms set out below.

In consideration of the mutual obligations contained herein and for other consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Definitions

Except as otherwise defined herein, the capitalized words and expressions used in this Agreement or in its Schedules shall have the following meanings:

- (a) **“Agreement”** means this loan agreement and all Schedules attached hereto as the same may be amended, restated, replaced or superseded from time to time.
- (b) **“Banking Day”** means a day other than a Saturday or a Sunday or other day on which banks are required or authorized to close in Toronto, Canada.
- (c) **“Collateral”** means 30% of all securities in the capital of UK Subco which shall be registered in the name of the Borrower from time to time.
- (d) **“Deposit”** means a non-refundable deposit in the amount of £30,000 payable by the Borrower to Hot Millions Limited in connection with certain Transactions.
- (e) **“Loan Documents”** means, collectively, this Agreement, the Notes, and the Security Documents, and any other agreements or documents entered into in connection with the transactions contemplated herein and therein; and **“Loan Document”** means any one of them.
- (f) **“Loan Obligations”** means the indebtedness, obligations, liabilities, promises, covenants, responsibilities and duties of every kind and description (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise of the Borrower owing or incurred to the Lender arising under, by reason of or otherwise in respect of this Agreement or any other Loan Document including, all interest, fees, charges, expenses, attorneys’ fees and costs and accountants’ fees and costs chargeable to and payable by the Borrower hereunder.
- (g) **“Outstanding Principal Amount”** means the principal amount of the Loan remaining outstanding and unpaid from time to time.
- (h) **“Purchased Assets”** means the assets pertaining to Second Cup cafés located in the United Kingdom to be acquired by UK Subco, from time to time.

- (i) **“Security Documents”** means, at any time, the agreements, documents and instruments listed in Section 4 and each additional agreement, document and instrument delivered to or for the benefit of the Lender at or before such time to secure or guarantee, directly or indirectly, the payment or performance of any of the Loan Obligations.
- (j) **“Transactions”** means the acquisitions of the Purchased Assets, and **“Transaction”** means any one of them.
- (k) **“UK Subco”** means a corporation, company or other legal entity to be incorporated by the Borrower as its subsidiary in the United Kingdom.

2. **Loan**

- (a) Loan Amount. Upon and subject to the conditions hereof, the Lender agrees to loan an aggregate principal amount of £300,000 (the **“Loan”**), to be disbursed to the Borrower or as directed by the Borrower, no later than 30 days from the date hereof.
- (b) Use of Funds. The Loan shall be used by the Borrower to capitalize UK Subco, pay the purchase price payable in connection with the Transactions, and to pay for such other necessary or incidental expenses in connection with the Transactions (including the fees and expenses of legal, tax and accounting advisors).
- (c) Acknowledgement and Waiver. The Lender hereby acknowledges and agrees that its failure to make the full amount of the Loan available to the Borrower as set forth above may result in the termination of one or more Transactions, and the forfeiture of the Deposit to the sole and entire benefit of Hot Millions Limited. The Lender hereby irrevocably and unconditionally waives any right to be reimbursed the Deposit, or to claim damages against the Borrower or any of its respective affiliates or representatives for any losses, whether direct or indirect, resulting from the forfeiture of the Deposit if and to the extent caused solely by any Lender’s failure to make the full amount of the Loan available to the Borrower in accordance with the terms of this Agreement.
- (d) Promissory Note. If required by the Lender, the Loan shall be evidenced by a promissory note (each, a **“Note”**) to be executed by the Borrower in the form attached as Schedule A and dated as of the date of disbursement of the Loan. The term **“Note”** as used herein shall include all amendments or supplements thereto or replacements thereof. The following shall be inscribed on each Note:

“THE OBLIGATIONS DUE UNDER THIS NOTE ARE SECURED BY A SECURITIES PLEDGE AGREEMENT (THE “SECURITIES PLEDGE AGREEMENT”) DATED AS OF _____, 2018 AND EXECUTED BY THE SECOND CUP COFFEE COMPANY INC. FOR THE BENEFIT OF THE LENDER. ADDITIONAL RIGHTS OF THE LENDER ARE SET FORTH IN THE SECURITIES PLEDGE AGREEMENT.”

3. **Interest, Term and Repayment**

- (a) Interest. Interest shall accrue on the applicable portion of the Loan from and after the disbursement of the Loan until (i) the third anniversary date of the disbursement of the Loan or (ii) the date of an earlier Event of Default (the **“Maturity Date”**). Interest shall accrue on the Outstanding Principal Amount at the fixed rate of 16% per annum and be payable by the Borrower on the first Banking Day of every quarter commencing on September 1, 2018.
- (b) Term and Repayment. The term of the Loan shall be thirty-six (36) months commencing on the date of the disbursement of the Loan, and ending on the Maturity Date. The Outstanding Principal Amount shall be repaid by the Borrower to the Lender together with any interest accrued and unpaid and expenses accruing pursuant to the terms of this Agreement, on the Maturity Date, and the Loan shall be automatically terminated on such date.

- (c) Prepayments. The Borrower shall at any time have the right to prepay all or any part of the Outstanding Principal Amount, together with interest thereon through the Maturity Date, and any other amounts outstanding, at any time or from time to time, without notice, penalty or bonus, provided the amount of the prepayment shall be at least £25,000. Amounts which are prepaid as aforesaid may not be re-borrowed. Any such prepayment will be applied first to the payment of expenses due to Lender, second to interest accrued on the Loan and third, if the amount of prepayment exceeds the amount of all such expenses and accrued interest, to the payment of principal of the Loan.
- (d) Place of Payment. All payments to the Lender shall be made by electronic transfer to the accounts designated by the Lender from time to time in writing or such other means that the Lender may from time to time advise the Borrower in writing. Any payment received after 3:00 p.m. (Toronto time) on a Banking Day shall be credited for value on the next following Banking Day.

4. Security

- (a) Security Documents. To secure the due payment and performance of the Loan Obligations, the Borrower shall deliver or cause to be delivered to the Lender, each of the agreements, documents and instruments (each in form and substance satisfactory to the Lender) listed below, immediately following the incorporation of UK Subco and the issuance of securities of UK Subco to the Borrower, or as soon as reasonably practicable following such date:
 - (i) a securities pledge agreement, substantially in the form presented to the Lender on the date hereof, creating a first priority lien in favour of the Lender in the Collateral; and
 - (ii) the certificate(s) representing the Collateral, together with security transfer forms in respect thereof, signed in blank and undated.
- (b) Registration. Unless the Lender notifies the Borrower otherwise, the Borrower shall cause the Borrower's counsel to register the security created under the Loan Documents (or a financing statement, notice or other document in respect thereof) on behalf of the Lender in all offices where (a) such registration is necessary to create, preserve, protect and perfect the security created under the Loan Documents and its validity, effect, priority and perfection at all times, and/or (b) the Lender's counsel specifically requests.
- (c) Further Assurances. The Borrower shall forthwith and from time to time on request from the Lender, execute or cause to be executed, all such documents (including any change to any Loan Document) and do or cause to be done all such other matters and things which in the reasonable opinion of the Lender or the Lender's counsel may be necessary (so far as may be possible under any applicable law) to establish the priority intended to be created by the Loan Documents. It is the intention of the parties that the Lender will, among other things, have a first priority lien over all Collateral.

5. Representations and Warranties

To induce the Lender to make the Loan available to the Borrower, the Borrower represents and warrants to and in favour of the Lender as follows:

- (a) Existence and Good Standing. The Borrower is a corporation duly and validly incorporated and existing under the *Business Corporations Act* (Ontario) and has the legal capacity and right to own its assets and to carry on its business in each jurisdiction in which its assets are located or it carries on business.
- (b) Authority. The Borrower has the legal capacity and right to enter into each Loan Document to which it is a party and do all acts and things and execute and deliver all documents as are required thereunder to be done, observed or performed by it in accordance with the terms and conditions thereof.
- (c) Due Authorization; No Breach. The Borrower has taken all necessary action to authorize the execution and delivery of each Loan Document to which it is a party, the creation and performance of its obligations

thereunder and the creation of the security over the Purchased Assets and the consummation of the transactions contemplated thereby. The execution and delivery of this Agreement by the Borrower, the consummation of the Transactions and the fulfilment by the Borrower of the terms, conditions and provisions hereof will not contravene or violate or result in a breach or a default, in any material respect, under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligations of the Borrower under:

- (i) any applicable Law;
 - (ii) any material judgment, order, writ, injunction or decree of any regulatory authority having jurisdiction over the Borrower;
 - (iii) the articles, by-laws or any resolutions of the Board of Directors or shareholders of the Borrower; or
 - (iv) the shareholders agreement of the Borrower.
- (d) Due Execution. The Borrower has duly executed and delivered this Agreement.

6. Covenants

Until payment in full of all Loan Obligations owing to the Lender, the Borrower will:

- (a) duly and punctually pay each sum payable by it under each Loan Document to which it is a party in the manner specified in such Loan Document;
- (b) insure and keep insured all of its property and assets in accordance with good commercial practice;
- (c) maintain its corporate existence in good standing and do or cause to be done all things necessary to keep in full force and effect all properties, rights, franchises, licences and qualifications including those which are material for the Borrower to carry on business in any jurisdiction in which it carries on business, and Borrower shall maintain all of its respective properties and assets consistent with industry standards and past practices;
- (d) comply with applicable laws in all material respects;
- (e) keep proper books of record and account, in which full and correct entries shall be made of all financial transactions in accordance with International Financial Reporting Standards;
- (f) permit the Lender at any reasonable time or times, within normal business hours, following reasonable notice to Borrower or UK Subco, as applicable, to visit the properties of, and examine and make copies of and abstracts from the books and records of Borrower or UK Subco, as applicable.

7. Events of Default

The occurrence of any one or more of the following events (being herein referred to as an “**Event of Default**”) shall constitute a default under this Agreement:

- (a) Default in Payment. If the Borrower fails to pay any amount of the Outstanding Principal Amount, or to pay any interest or other amounts when due and payable under this Agreement or any other Loan Documents and such payment shall not have been made within five (5) Banking Days of the due date thereof.
- (b) Default in Performance, Etc. If the Borrower defaults in the performance or observance of any term, condition or covenant contained in this Agreement or any other Loan Document.

- (c) Insolvency. If the Borrower shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally as they become due or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of ten (10) days or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee custodian or other similar official for it or for any substantial part of its property) shall occur.
- (d) Default Under Other Instruments. A default or event of default (subject to any applicable grace or cure period) shall occur under any other material agreement, indebtedness, lease, document or instrument to which Borrower is bound and shall persist until the earlier of (i) five (5) Banking Days after notice of such default is sent to Borrower by the Lender or (ii) ten (10) Banking Days after Borrower shall become or should have become aware of such default.
- (e) Misrepresentation. If any representation or warranty made by the Borrower in this Agreement or any other Loan Document shall prove to have been incorrect or misleading in any material respect when made or deemed to be made.
- (f) Sale of the Business. Any sale of the business of the Borrower or UK Subco, whether by a sale of all or substantially all the assets of the Borrower or UK Subco, or the sale of all of the issued and outstanding shares in the share capital of the Borrower or UK Subco.
- (g) Judgments. Any order or judgment for the payment of money in excess of \$1,000,000 shall be rendered against Borrower and such order or judgment shall continue unsatisfied and unstayed for more than the time permitted by applicable law for an appeal of such judgment to be filed.
- (h) Contest of Loan Documents. Borrower shall disavow, revoke or terminate any Loan Document to which it is a party or shall otherwise challenge or contest in any action, suit or proceeding in any court or before any arbitrator or governmental body the validity or enforceability of any Note or any other Loan Document.
- (i) Restraint on Activities. The Borrower is enjoined, restrained or in any way prevented by the order of any court or any administrative or regulatory agency from conducting all or any material part of its business and such order continues for more than the time permitted by applicable law for an appeal of such judgment to be filed.
- (j) Dissolution. Any dissolution, winding up of Borrower or any order, judgment or decree is entered against Borrower decreeing the dissolution or split up of Borrower and such order remains undischarged or unstayed for a period in excess of sixty (60) days.

8. Acceleration

- (a) Upon the occurrence of any Event of Default (other than an Event of Default described in Section 7(c)) and at any time thereafter during the continuance of such Event of Default, the Lender may, by written notice to the Borrower, declare all outstanding Loan Obligations to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Loan Documents to the contrary notwithstanding. Upon the occurrence of any Event of Default described in Section 7(c), immediately and without notice, all outstanding Obligations payable by the Borrower hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Loan Documents to the contrary notwithstanding.

- (b) In addition to the foregoing remedies but subject at all times to Section 2(c), upon the occurrence and during the continuance of any Event of Default, the Lender may exercise any other right power or remedy granted to them by the Loan Documents or otherwise permitted to them by law, either by suit in equity or by action at law, or both, it being understood that no remedy provided for herein or provided for therein conferred or reserved is exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given to the Lender under the Notes and each other Loan Document or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power by the Lender accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to exercise any remedy reserved to the Lender under the Notes or any other Loan Document, it shall not be necessary to give any notice, other than such notice as may be herein expressly required herein or in such other Loan Document.

9. General

- (a) Waivers. The Lender may waive any breach by the Borrower of any provision of this Agreement or any other Loan Document to which the Borrower is a party or performance of any covenant or condition to be observed or performed by the Borrower hereunder or any other Loan Document to which the Borrower is a party. No waiver and no act or omission by the Lender in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach, whether of the same or a different nature, or the rights arising therefrom.
- (b) Further Assurances. Each party shall take such action and execute and deliver such documents as the other party may reasonably request from time to time to give effect to the terms, conditions, provisions, purpose and intent of this Agreement.
- (c) Agreements. Each reference in this Agreement to any agreement or document shall be construed to include such agreement or document (including any attached schedules, appendices and exhibits) and each amendment made to it at or before the time in question.
- (d) Headings, etc. The Article and Section headings in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Agreement. The terms “**this Agreement**”, “**hereof**”, “**hereunder**” and similar expressions refer to this Agreement and not to any particular Article, Section, Subsection, Schedule, paragraph, subparagraph, clause or other portion of this Agreement.
- (e) Grammatical Variations. In this Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference herein shall be construed in like manner.
- (f) Certain references. To the extent the context so admits, any reference in this Agreement to “**include**”, “**includes**” and “**including**” shall be construed to be followed by the statement “without limitation” and none of such terms shall be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.
- (g) Amendment. This Agreement and other Loan Documents and documents collateral hereto may be modified or amended only if the Borrower and the Lender so agree in writing.
- (h) Entire Agreement. This Agreement and the Loan Documents constitute the entire agreement between the parties with respect to the subject matters hereof and thereof and cancel and supersede any prior understandings and agreements between the parties with respect thereto. There are no representations,

warranties, conditions, other agreements or acknowledgments, whether direct or collateral, express or implied, that form part of or affect this Agreement or any other Loan Document other than as expressed herein or in such other Loan Document. The execution of each Loan Document has not been induced by, nor does the Borrower rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgments not expressly made in any Loan Document.

10. Governing Law

This Agreement and all documents delivered pursuant hereto shall, unless otherwise specified therein, be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

11. Time of the Essence

Time shall in all respect be of the essence of this Agreement, and no extension or variation of this Agreement or of any obligation hereunder shall operate as a waiver of this provision.

12. Notices

All notices and other communications provided for herein shall be in writing and shall be delivered by courier or personally delivered to an officer or a responsible representative of the Lender or the Borrower, as the case may be, or sent by facsimile or other direct electronic means, charges prepaid, as follows:

To the Borrower:

The Second Cup Coffee Company Inc.
6303 Airport Road, Suite 103
Mississauga, Ontario L4V 1R8

Attention: Demetrios Ragas
E-mail: jragas@mysecondcup.com

With copy to:

Fasken Martineau DuMoulin LLP
800 Square Victoria, Suite 3700
Montreal, Québec, H4Z 1E9

Attention: Constantinos Ragas
Facsimile: 514-397-7600
E-mail: cragas@fasken.com

To the Lender:

Park Investors LLC
53 North Moor Street, PH 6J
New York, NY 10013

Attention: Igor Lojevsky
E-mail: igorlojevsky@aol.com

or to such other address or addresses as either party hereto may from time to time designate to the other party in such manner.

13. Severability

Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

14. Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. No party may assign this Agreement without the prior written consent of the other party.

15. This Agreement to Govern

If there is an inconsistency between the provisions of this Agreement and the provisions of any other Loan Document, the provisions hereof shall govern and apply to the extent of the inconsistency.

16. Execution

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Agreement (including any amendments to this Agreement) by facsimile transmission or e-mail in pdf format shall be effective as delivery of an original manually executed counterpart hereof.

Please indicate your agreement and acceptance by returning a signed copy of this Agreement.

Yours very truly,

PARK INVESTORS LLC

By: _____
Igor Lojevsky

ACKNOWLEDGEMENT AND AGREEMENT

The undersigned acknowledges that it has received a copy of this Agreement and agrees to be bound by the terms hereof this 14th day of June, 2018.

THE SECOND CUP COFFEE COMPANY INC.

By: _____
Demetrios Ragas
President and Chief Executive Officer

**SCHEDULE A
FORM OF NOTES**

THE OBLIGATIONS DUE UNDER THIS NOTE ARE SECURED BY A SECURITIES PLEDGE AGREEMENT (THE “**SECURITIES PLEDGE AGREEMENT**”) DATED AS OF JUNE 21, 2018 AND EXECUTED BY THE SECOND CUP COFFEE COMPANY INC. FOR THE BENEFIT OF THE LENDER. ADDITIONAL RIGHTS OF THE LENDER ARE SET FORTH IN THE SECURITIES PLEDGE AGREEMENT.

PROMISSORY NOTE

£300,000

Toronto, Ontario
as of June 15th, 2018

FOR VALUE RECEIVED, the undersigned, **THE SECOND CUP COFFEE COMPANY INC.** (the “**Borrower**”) promises to pay to Park Investors LLC (the “**Lender**”), on the Maturity Date, the principal sums of £300,000, plus interest on the outstanding balance of such principal sum, the whole subject to and in accordance with the terms of the Loan Agreement (defined below).

The interest on this promissory note shall begin accruing on the date hereof and thereafter shall be calculated and payable quarterly at the rate of 16% per annum and shall be paid in instalments. Each instalment payment shall be made on the 1st Banking Day of each quarter beginning on September 1, 2018.

This promissory note is a Note issued pursuant to the loan agreement (as amended from time to time, the “**Loan Agreement**”) dated June 14th, 2018 among the Borrower and the Lender, the terms of which are incorporated herein. Unless otherwise defined in this promissory note, terms defined in the Loan Agreement and used in this promissory note have the respective meanings attributed to them in the Loan Agreement.

All terms and conditions of this promissory note shall be interpreted in accordance with the laws of Ontario.

THE SECOND CUP COFFEE COMPANY INC..

Per: _____
Name: Demetrios Ragas
Title: President and Chief Executive Officer

This is Exhibit “R” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

June 14th, 2018

The Second Cup Coffee Company Inc.
6303 Airport Road, Suite 103
Mississauga, Ontario, L4V 1R8, Canada

Attention: Demetrios (Jim) Ragas, President and Chief Executive Officer

Dear Sir:

Re: Loan in the principal amount of £300,000 to The Second Cup Coffee Company Inc. (the “Borrower”)

This is to confirm that, subject to the Borrower’s acceptance of and agreement to this Agreement, Svetlana Bortsova (the “Lender”) is prepared to make the Loan (as defined below) to the Borrower on and subject to the terms set out below.

In consideration of the mutual obligations contained herein and for other consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Definitions

Except as otherwise defined herein, the capitalized words and expressions used in this Agreement or in its Schedules shall have the following meanings:

- (a) **“Agreement”** means this loan agreement and all Schedules attached hereto as the same may be amended, restated, replaced or superseded from time to time.
- (b) **“Banking Day”** means a day other than a Saturday or a Sunday or other day on which banks are required or authorized to close in Toronto, Canada.
- (c) **“Collateral”** means 30% of all securities in the capital of UK Subco which shall be registered in the name of the Borrower from time to time.
- (d) **“Deposit”** means a non-refundable deposit in the amount of £30,000 payable by the Borrower to Hot Millions Limited in connection with certain Transactions.
- (e) **“Loan Documents”** means, collectively, this Agreement, the Notes, and the Security Documents, and any other agreements or documents entered into in connection with the transactions contemplated herein and therein; and **“Loan Document”** means any one of them.
- (f) **“Loan Obligations”** means the indebtedness, obligations, liabilities, promises, covenants, responsibilities and duties of every kind and description (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise of the Borrower owing or incurred to the Lender arising under, by reason of or otherwise in respect of this Agreement or any other Loan Document including, all interest, fees, charges, expenses, attorneys’ fees and costs and accountants’ fees and costs chargeable to and payable by the Borrower hereunder.
- (g) **“Outstanding Principal Amount”** means the principal amount of the Loan remaining outstanding and unpaid from time to time.
- (h) **“Purchased Assets”** means the assets pertaining to Second Cup cafés located in the United Kingdom to be acquired by UK Subco, from time to time.

- (i) **“Security Documents”** means, at any time, the agreements, documents and instruments listed in Section 4 and each additional agreement, document and instrument delivered to or for the benefit of the Lender at or before such time to secure or guarantee, directly or indirectly, the payment or performance of any of the Loan Obligations.
- (j) **“Transactions”** means the acquisitions of the Purchased Assets, and **“Transaction”** means any one of them.
- (k) **“UK Subco”** means a corporation, company or other legal entity to be incorporated by the Borrower as its subsidiary in the United Kingdom.

2. **Loan**

- (a) **Loan Amount.** Upon and subject to the conditions hereof, the Lender agrees to loan an aggregate principal amount of £300,000 (the **“Loan”**), to be disbursed to the Borrower or as directed by the Borrower, no later than 30 days from the date hereof.
- (b) **Use of Funds.** The Loan shall be used by the Borrower to capitalize UK Subco, pay the purchase price payable in connection with the Transactions, and to pay for such other necessary or incidental expenses in connection with the Transactions (including the fees and expenses of legal, tax and accounting advisors).
- (c) **Acknowledgement and Waiver.** The Lender hereby acknowledges and agrees that its failure to make the full amount of the Loan available to the Borrower as set forth above may result in the termination of one or more Transactions, and the forfeiture of the Deposit to the sole and entire benefit of Hot Millions Limited. The Lender hereby irrevocably and unconditionally waives any right to be reimbursed the Deposit, or to claim damages against the Borrower or any of its respective affiliates or representatives for any losses, whether direct or indirect, resulting from the forfeiture of the Deposit if and to the extent caused solely by any Lender’s failure to make the full amount of the Loan available to the Borrower in accordance with the terms of this Agreement.
- (d) **Promissory Note.** If required by the Lender, the Loan shall be evidenced by a promissory note (each, a **“Note”**) to be executed by the Borrower in the form attached as Schedule A and dated as of the date of disbursement of the Loan. The term **“Note”** as used herein shall include all amendments or supplements thereto or replacements thereof. The following shall be inscribed on each Note:

“THE OBLIGATIONS DUE UNDER THIS NOTE ARE SECURED BY A SECURITIES PLEDGE AGREEMENT (THE “SECURITIES PLEDGE AGREEMENT”) DATED AS OF _____, 2018 AND EXECUTED BY THE SECOND CUP COFFEE COMPANY INC. FOR THE BENEFIT OF THE LENDER. ADDITIONAL RIGHTS OF THE LENDER ARE SET FORTH IN THE SECURITIES PLEDGE AGREEMENT.”

3. **Interest, Term and Repayment**

- (a) **Interest.** Interest shall accrue on the applicable portion of the Loan from and after the disbursement of the Loan until (i) the third anniversary date of the disbursement of the Loan or (ii) the date of an earlier Event of Default (the **“Maturity Date”**). Interest shall accrue on the Outstanding Principal Amount at the fixed rate of 16% per annum and be payable by the Borrower on the first Banking Day of every quarter commencing on September 1, 2018.
- (b) **Term and Repayment.** The term of the Loan shall be thirty-six (36) months commencing on the date of the disbursement of the Loan, and ending on the Maturity Date. The Outstanding Principal Amount shall be repaid by the Borrower to the Lender together with any interest accrued and unpaid and expenses accruing pursuant to the terms of this Agreement, on the Maturity Date, and the Loan shall be automatically terminated on such date.

- (c) Prepayments. The Borrower shall at any time have the right to prepay all or any part of the Outstanding Principal Amount, together with interest thereon through the Maturity Date, and any other amounts outstanding, at any time or from time to time, without notice, penalty or bonus, provided the amount of the prepayment shall be at least £25,000. Amounts which are prepaid as aforesaid may not be re-borrowed. Any such prepayment will be applied first to the payment of expenses due to Lender, second to interest accrued on the Loan and third, if the amount of prepayment exceeds the amount of all such expenses and accrued interest, to the payment of principal of the Loan.
- (d) Place of Payment. All payments to the Lender shall be made by electronic transfer to the accounts designated by the Lender from time to time in writing or such other means that the Lender may from time to time advise the Borrower in writing. Any payment received after 3:00 p.m. (Toronto time) on a Banking Day shall be credited for value on the next following Banking Day.

4. Security

- (a) Security Documents. To secure the due payment and performance of the Loan Obligations, the Borrower shall deliver or cause to be delivered to the Lender, each of the agreements, documents and instruments (each in form and substance satisfactory to the Lender) listed below, immediately following the incorporation of UK Subco and the issuance of securities of UK Subco to the Borrower, or as soon as reasonably practicable following such date:
 - (i) a securities pledge agreement, substantially in the form presented to the Lender on the date hereof, creating a first priority lien in favour of the Lender in the Collateral; and
 - (ii) the certificate(s) representing the Collateral, together with security transfer forms in respect thereof, signed in blank and undated.
- (b) Registration. Unless the Lender notifies the Borrower otherwise, the Borrower shall cause the Borrower's counsel to register the security created under the Loan Documents (or a financing statement, notice or other document in respect thereof) on behalf of the Lender in all offices where (a) such registration is necessary to create, preserve, protect and perfect the security created under the Loan Documents and its validity, effect, priority and perfection at all times, and/or (b) the Lender's counsel specifically requests.
- (c) Further Assurances. The Borrower shall forthwith and from time to time on request from the Lender, execute or cause to be executed, all such documents (including any change to any Loan Document) and do or cause to be done all such other matters and things which in the reasonable opinion of the Lender or the Lender's counsel may be necessary (so far as may be possible under any applicable law) to establish the priority intended to be created by the Loan Documents. It is the intention of the parties that the Lender will, among other things, have a first priority lien over all Collateral.

5. Representations and Warranties

To induce the Lender to make the Loan available to the Borrower, the Borrower represents and warrants to and in favour of the Lender as follows:

- (a) Existence and Good Standing. The Borrower is a corporation duly and validly incorporated and existing under the *Business Corporations Act* (Ontario) and has the legal capacity and right to own its assets and to carry on its business in each jurisdiction in which its assets are located or it carries on business.
- (b) Authority. The Borrower has the legal capacity and right to enter into each Loan Document to which it is a party and do all acts and things and execute and deliver all documents as are required thereunder to be done, observed or performed by it in accordance with the terms and conditions thereof.
- (c) Due Authorization; No Breach. The Borrower has taken all necessary action to authorize the execution and delivery of each Loan Document to which it is a party, the creation and performance of its obligations

thereunder and the creation of the security over the Purchased Assets and the consummation of the transactions contemplated thereby. The execution and delivery of this Agreement by the Borrower, the consummation of the Transactions and the fulfilment by the Borrower of the terms, conditions and provisions hereof will not contravene or violate or result in a breach or a default, in any material respect, under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligations of the Borrower under:

- (i) any applicable Law;
 - (ii) any material judgment, order, writ, injunction or decree of any regulatory authority having jurisdiction over the Borrower;
 - (iii) the articles, by-laws or any resolutions of the Board of Directors or shareholders of the Borrower; or
 - (iv) the shareholders agreement of the Borrower.
- (d) Due Execution. The Borrower has duly executed and delivered this Agreement.

6. Covenants

Until payment in full of all Loan Obligations owing to the Lender, the Borrower will:

- (a) duly and punctually pay each sum payable by it under each Loan Document to which it is a party in the manner specified in such Loan Document;
- (b) insure and keep insured all of its property and assets in accordance with good commercial practice;
- (c) maintain its corporate existence in good standing and do or cause to be done all things necessary to keep in full force and effect all properties, rights, franchises, licences and qualifications including those which are material for the Borrower to carry on business in any jurisdiction in which it carries on business, and Borrower shall maintain all of its respective properties and assets consistent with industry standards and past practices;
- (d) comply with applicable laws in all material respects;
- (e) keep proper books of record and account, in which full and correct entries shall be made of all financial transactions in accordance with International Financial Reporting Standards;
- (f) permit the Lender at any reasonable time or times, within normal business hours, following reasonable notice to Borrower or UK Subco, as applicable, to visit the properties of, and examine and make copies of and abstracts from the books and records of Borrower or UK Subco, as applicable.

7. Events of Default

The occurrence of any one or more of the following events (being herein referred to as an “**Event of Default**”) shall constitute a default under this Agreement:

- (a) Default in Payment. If the Borrower fails to pay any amount of the Outstanding Principal Amount, or to pay any interest or other amounts when due and payable under this Agreement or any other Loan Documents and such payment shall not have been made within five (5) Banking Days of the due date thereof.
- (b) Default in Performance, Etc. If the Borrower defaults in the performance or observance of any term, condition or covenant contained in this Agreement or any other Loan Document.

- (c) Insolvency. If the Borrower shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally as they become due or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of ten (10) days or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee custodian or other similar official for it or for any substantial part of its property) shall occur.
- (d) Default Under Other Instruments. A default or event of default (subject to any applicable grace or cure period) shall occur under any other material agreement, indebtedness, lease, document or instrument to which Borrower is bound and shall persist until the earlier of (i) five (5) Banking Days after notice of such default is sent to Borrower by the Lender or (ii) ten (10) Banking Days after Borrower shall become or should have become aware of such default.
- (e) Misrepresentation. If any representation or warranty made by the Borrower in this Agreement or any other Loan Document shall prove to have been incorrect or misleading in any material respect when made or deemed to be made.
- (f) Sale of the Business. Any sale of the business of the Borrower or UK Subco, whether by a sale of all or substantially all the assets of the Borrower or UK Subco, or the sale of all of the issued and outstanding shares in the share capital of the Borrower or UK Subco.
- (g) Judgments. Any order or judgment for the payment of money in excess of \$1,000,000 shall be rendered against Borrower and such order or judgment shall continue unsatisfied and unstayed for more than the time permitted by applicable law for an appeal of such judgment to be filed.
- (h) Contest of Loan Documents. Borrower shall disavow, revoke or terminate any Loan Document to which it is a party or shall otherwise challenge or contest in any action, suit or proceeding in any court or before any arbitrator or governmental body the validity or enforceability of any Note or any other Loan Document.
- (i) Restraint on Activities. The Borrower is enjoined, restrained or in any way prevented by the order of any court or any administrative or regulatory agency from conducting all or any material part of its business and such order continues for more than the time permitted by applicable law for an appeal of such judgment to be filed.
- (j) Dissolution. Any dissolution, winding up of Borrower or any order, judgment or decree is entered against Borrower decreeing the dissolution or split up of Borrower and such order remains undischarged or unstayed for a period in excess of sixty (60) days.

8. Acceleration

- (a) Upon the occurrence of any Event of Default (other than an Event of Default described in Section 7(c)) and at any time thereafter during the continuance of such Event of Default, the Lender may, by written notice to the Borrower, declare all outstanding Loan Obligations to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Loan Documents to the contrary notwithstanding. Upon the occurrence of any Event of Default described in Section 7(c), immediately and without notice, all outstanding Obligations payable by the Borrower hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Loan Documents to the contrary notwithstanding.

- (b) In addition to the foregoing remedies but subject at all times to Section 2(c), upon the occurrence and during the continuance of any Event of Default, the Lender may exercise any other right power or remedy granted to them by the Loan Documents or otherwise permitted to them by law, either by suit in equity or by action at law, or both, it being understood that no remedy provided for herein or provided for therein conferred or reserved is exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given to the Lender under the Notes and each other Loan Document or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power by the Lender accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to exercise any remedy reserved to the Lender under the Notes or any other Loan Document, it shall not be necessary to give any notice, other than such notice as may be herein expressly required herein or in such other Loan Document.

9. General

- (a) Waivers. The Lender may waive any breach by the Borrower of any provision of this Agreement or any other Loan Document to which the Borrower is a party or performance of any covenant or condition to be observed or performed by the Borrower hereunder or any other Loan Document to which the Borrower is a party. No waiver and no act or omission by the Lender in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach, whether of the same or a different nature, or the rights arising therefrom.
- (b) Further Assurances. Each party shall take such action and execute and deliver such documents as the other party may reasonably request from time to time to give effect to the terms, conditions, provisions, purpose and intent of this Agreement.
- (c) Agreements. Each reference in this Agreement to any agreement or document shall be construed to include such agreement or document (including any attached schedules, appendices and exhibits) and each amendment made to it at or before the time in question.
- (d) Headings, etc. The Article and Section headings in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Agreement. The terms “**this Agreement**”, “**hereof**”, “**hereunder**” and similar expressions refer to this Agreement and not to any particular Article, Section, Subsection, Schedule, paragraph, subparagraph, clause or other portion of this Agreement.
- (e) Grammatical Variations. In this Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference herein shall be construed in like manner.
- (f) Certain references. To the extent the context so admits, any reference in this Agreement to “**include**”, “**includes**” and “**including**” shall be construed to be followed by the statement “without limitation” and none of such terms shall be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.
- (g) Amendment. This Agreement and other Loan Documents and documents collateral hereto may be modified or amended only if the Borrower and the Lender so agree in writing.
- (h) Entire Agreement. This Agreement and the Loan Documents constitute the entire agreement between the parties with respect to the subject matters hereof and thereof and cancel and supersede any prior understandings and agreements between the parties with respect thereto. There are no representations,

warranties, conditions, other agreements or acknowledgments, whether direct or collateral, express or implied, that form part of or affect this Agreement or any other Loan Document other than as expressed herein or in such other Loan Document. The execution of each Loan Document has not been induced by, nor does the Borrower rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgments not expressly made in any Loan Document.

10. Governing Law

This Agreement and all documents delivered pursuant hereto shall, unless otherwise specified therein, be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

11. Time of the Essence

Time shall in all respect be of the essence of this Agreement, and no extension or variation of this Agreement or of any obligation hereunder shall operate as a waiver of this provision.

12. Notices

All notices and other communications provided for herein shall be in writing and shall be delivered by courier or personally delivered to an officer or a responsible representative of the Lender or the Borrower, as the case may be, or sent by facsimile or other direct electronic means, charges prepaid, as follows:

To the Borrower:

The Second Cup Coffee Company Inc.
6303 Airport Road, Suite 103
Mississauga, Ontario L4V 1R8

Attention: Demetrios Ragas
E-mail: jragas@mysecondcup.com

With copy to:

Fasken Martineau DuMoulin LLP
800 Square Victoria, Suite 3700
Montreal, Québec, H4Z 1E9

Attention: Constantinos Ragas
Facsimile: 514-397-7600
E-mail: cragas@fasken.com

To the Lender:

Svetlana Bortsova
115172 Moscow
Goncharnaya Str., 21
Russia

Attention: Larissa Khomutova
E-mail: larissa.khomutova@atv-invest.ru

or to such other address or addresses as either party hereto may from time to time designate to the other party in such manner.

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13. Severability

Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

14. Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. No party may assign this Agreement without the prior written consent of the other party.

15. This Agreement to Govern

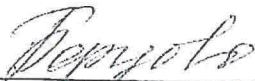
If there is an inconsistency between the provisions of this Agreement and the provisions of any other Loan Document, the provisions hereof shall govern and apply to the extent of the inconsistency.

16. Execution

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Agreement (including any amendments to this Agreement) by facsimile transmission or e-mail in pdf format shall be effective as delivery of an original manually executed counterpart hereof.

Please indicate your agreement and acceptance by returning a signed copy of this Agreement.

Yours very truly,

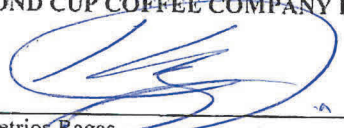

SVETLANA BORTSOVA

ACKNOWLEDGEMENT AND AGREEMENT

The undersigned acknowledges that it has received a copy of this Agreement and agrees to be bound by the terms hereof this 14 day of June, 2018.

THE SECOND CUP COFFEE COMPANY INC.

By:


Demetrios Ragas
President and Chief Executive Officer

**SCHEDULE A
FORM OF NOTES**

THE OBLIGATIONS DUE UNDER THIS NOTE ARE SECURED BY A SECURITIES PLEDGE AGREEMENT (THE "SECURITIES PLEDGE AGREEMENT") DATED AS OF JUNE 21, 2018 AND EXECUTED BY THE SECOND CUP COFFEE COMPANY INC. FOR THE BENEFIT OF THE LENDER. ADDITIONAL RIGHTS OF THE LENDER ARE SET FORTH IN THE SECURITIES PLEDGE AGREEMENT.

PROMISSORY NOTE

£300,000

Toronto, Ontario
as of June 18th, 2018

FOR VALUE RECEIVED, the undersigned, **THE SECOND CUP COFFEE COMPANY INC.** (the "**Borrower**") promises to pay to Svetlana Bortsova (the "**Lender**"), on the Maturity Date, the principal sums of £300,000, plus interest on the outstanding balance of such principal sum, the whole subject to and in accordance with the terms of the Loan Agreement (defined below).

The interest on this promissory note shall begin accruing on the date hereof and thereafter shall be calculated and payable quarterly at the rate of 16% per annum and shall be paid in instalments. Each instalment payment shall be made on the 1st Banking Day of each quarter beginning on September 1, 2018.

This promissory note is a Note issued pursuant to the loan agreement (as amended from time to time, the "**Loan Agreement**") dated June 14th 2018 among the Borrower and the Lender, the terms of which are incorporated herein. Unless otherwise defined in this promissory note, terms defined in the Loan Agreement and used in this promissory note have the respective meanings attributed to them in the Loan Agreement.

All terms and conditions of this promissory note shall be interpreted in accordance with the laws of Ontario.

THE SECOND CUP COFFEE COMPANY INC..

Per: _____

Name: Demetrios Ragas

Title: President and Chief Executive Officer

This is Exhibit “S” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

From: Jim Ragas <jragas@mysecondcup.com>

Sent: Thursday, July 11, 2024 6:54 PM

To: Buzina Olga Nikolaevna <buzina@arbatcapital.com>; Golubovich Alexei Dmitrievich <golubovich@arbatcapital.com>

Subject: RE: Qestions to Second Cup

Dear Alexei,

Attached please find the financial statement for 2022. This is the Notice to Reader similar to 2021. In early 2023 we hired Raymond Chabot Grant Thornton (as Auditors) to start providing us with Audited Statements. As they have had to go back and do a lot of review of past years in order to complete the 2023 audited statement it has taken a bit longer than usual. We expect to have the audited 2023 statement ready by end of August. Thereafter all annual audited statements will be ready by June of each year. I will provide the internal statement for 2023.

As well attached in the confirmation letter for the 2022 and 2023 interest on the loans.

The current financial situation as you mention does not let the company to make any repayment at this time.

Best Regards,
Jim

Jim Ragas

President & CEO

The Second Cup Coffee
Company Inc.

+1 (905) 234-0312 | +1 (905) 234-0315

jragas@mysecondcup.com

mysecondcup.com

12 Bruce Park Avenue, 1st Floor
Toronto, ON, M4P 2S3, Canada



From: Golubovich Alexei Dmitrievich <golubovich@arbatcapital.com>

Sent: Thursday, July 11, 2024 7:35 AM

To: Jim Ragas <jragas@mysecondcup.com>

Subject: Qestions to Second Cup

Importance: High

This is Exhibit “T” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

Tarola, Jaclyn

From: Golubovich Alexei Dmitrievich <golubovich@arbatcapital.com>
Sent: October 3, 2024 10:49 AM
To: Jim Ragas (jragas@mysecondcup.com)
Cc: Buzina Olga Nikolaevna
Subject: Second Cup - Loans
Attachments: Loan dd 25.06.18 ACG-SecCup.pdf; Loan dd 03.04.19 ACG-SecCup.pdf; Loan dd 03.04.19 ACG-SecCup Amendm.1.pdf; Loan dd 03.04.19 ACG-SecCup Amendm.2nd.pdf; Amending agreement 3 to Loan dd 03 04 2019.pdf; Amending agreement to Loan dd 25 06 2018.pdf; NOTE 1 Oct 2024.docx
Importance: High

Dear Jim,

We shall formalize the prolongation of the Loan Agreements concluded between our companies, and by means of the attached amending agreements, which we kindly ask you to agree and sign, fix the new terms of the repayment of interest accrued under the Loan Agreements.

Loan for the amount of 400,000 GBP (attached file: Amending agreement to Loan dd. 25.06.2018)

The Loan Agreement (file: "Loan dd 25.06.18 ACG-SecCup") contained terms and conditions for the acquisition of UK SUBCO and their pledge in favor of Arbat Capital Group Ltd. However, as I understand it, the acquisition of the company has not taken place, and there is no pledge mentioned in the Loan Agreement. Therefore, the text of the attached Amending Agreement for your signature is in fact the text of the new Loan Agreement, which unfortunately has no collateral.

In addition, the loan was granted at 16% per annum, and interest has never been paid by the Borrower. The amount of interest as of the current date is almost equal to the amount of the Loan granted, and at the end of 2024 it will amount to 416,964.38 GBP, which is already more than the Loan amount.

Realizing that Second Cup cannot pay the entire amount of interest on the Loan Agreement at once, I would like to offer you the following terms of prolongation:

1. The loan repayment period shall be extended until December 30, 2025.
2. To give Second Cup a tax vacation for 2025, setting the rate for the use of the loan at 1% per annum with repayment of it until the end of the year.
3. Second Cup shall repay the amount of interest accrued from the day after the date of loan disbursement (from June 27, 2018) until the end of 2024 in the amount of 416,964.38 GBP to the account of Arbat Capital Group Ltd. in equal monthly installments during 2025.

I would like to draw your attention to the fact that unfortunately for Arbat Capital Group Ltd. there is no collateral under this agreement, which increases its risks and will negatively affect the conclusions of our auditors. Therefore, we kindly ask you to consider providing other collateral to support the Lender's rating.

Loan for the amount of 2,000,000 USD (attached file: Loan with amending agreements)

The loan (file: "Loan dd 03.04.19 ..." + 2 amending agreements) was issued in several tranches at 10% per annum. All tranches had different repayment period. The amount of accrued interest at the end of 2024 will amount to 1,094,013.70 USD (as of October 1, 2024 it is 1,043,740.48 USD).

In the attached Amending Agreement, I propose:

1. To extend the loan repayment period until December 20, 2025.
2. To specify the term of repayment of interest accrued on the loan until December 20, 2025.
3. To provide a genuine (not a scanned copy) Note to the Agreement for the full amount of the loan, i.e. for 2,000,000 USD. I would like to offer you either to give this document (Note) to me tomorrow, on the 4th of October, 2024, or send it for safekeeping to our lawyer in the U.S., whose address I am ready to send you.

Sincerely yours,

Alexey Golubovich

This is Exhibit “U” referred to in the Affidavit of Alexey Golubovich sworn by Alexey Golubovich of the City of London, in the United Kingdom, before me at the City of Toronto, in the Province of Ontario, on May 19, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

Commissioner for Taking Affidavits (or as may be)

MATTHEW CRESSATTI

December 3, 2024

Private and Confidential

Sent Via E-mail

The Second Cup Coffee Company Inc.
6303 Airport Road, Suite 103
Mississauga, ON L4V 1R8

Attention: Demetrios Ragas

Dear Mr. Ragas,

Re: Indebtedness of The Second Cup Coffee Company Inc. (the “Borrower”) to Arbat Capital Group Ltd. (the “Lender”).

We write to you in connection with the Borrower’s indebtedness (the “**Indebtedness**”, as more particularly described below) to the Lender.

We refer to the following loan agreements:

1. the loan agreement between the Lender and the Borrower dated June 25, 2018 (the “**UK Loan Agreement**”); and
2. the loan agreement between the Lender and the Borrower dated April 3, 2019 (the “**Loan Agreement**”), as amended by an amending agreement dated May 6, 2019 (the “**First Amending Agreement**”) and an amending agreement dated July 22, 2019 (the “**Second Amending Agreement**” and together with the Loan Agreement and the First Amending Agreement, the “**Loan Documents**”).

The Loan Agreement was secured by a securities pledge agreement dated April 3, 2019 (the “**Securities Pledge Agreement**”), which creates a first priority lien in favour of the Lender in the collateral. The Second Amending Agreement increased the collateral under the Securities Pledge Agreement and the Loan Documents to 1,666,667 Class A Shares in the capital of the Borrower held by Demetrios Ragas (the “**Collateral**”).

As of the date hereof, the Borrower is indebted to the Lender in the principal amount of GBP £400,000 under the UK Loan Agreement and in the principal amount of USD \$2,000,000 under the Loan Documents, including interest owing on such amounts that has been accrued in accordance with the UK Loan Agreement and Loan Documents, respectively. The Borrower is in default of its obligations to the Lender under the terms of the UK Loan Agreement and the Loan Documents. The Lender therefore declares the entire Indebtedness due and payable and hereby demands immediate payment of same.

Additional interest will continue to accrue on the Indebtedness from the date hereof at the rates provided for in the UK Loan Agreement and the Loan Documents. As at the date hereof, interest

is accruing under the UK Loan Agreement at the rate of 16% per annum, and under the Loan Documents at the rate of 15% per annum.

Enclosed herein, please find a copy of the Notice of Intention to Enforce Security in accordance with Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) in connection with the Indebtedness under the Loan Documents which has been delivered to the owner of the Collateral, Demetrios Ragas. Note that the BIA provides that Demetrios Ragas can waive the statutory 10 day period by consenting in writing.

We hereby reserve and preserve all of the Lender’s rights and remedies against the Borrower.

We trust that the foregoing is sufficiently clear. Please do not hesitate to contact the undersigned with any questions or comments.

Yours truly,

ARBAT CAPITAL GROUP LTD.



Name: Alexey Golubovich

Title: Director

**NOTICE OF INTENTION TO ENFORCE SECURITY
(SUBSECTION 244(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)**

TO: DEMETRIOS RAGAS
 an Insolvent Person

TAKE NOTICE THAT:

1. **ARBAT CAPITAL GROUP LTD.** (the “**Secured Creditor**”) intends to enforce its security on the property of Demetrios Ragas, being 1,666,667 Class A Shares in the capital of The Second Cup Coffee Company Inc. (the “**Debtor**”), in accordance with the Securities Pledge Agreement dated as of April 3, 2019, as amended by amending agreements dated May 6, 2019 and July 22, 2019, executed by Demetrios Ragas in favour of the Secured Creditor (the “**Securities Pledge Agreement**”).
2. The security that is to be enforced is further described in the Securities Pledge Agreement and referred to herein as the “**Security**”.
3. The total amount of indebtedness secured by the Security as at the present time is USD \$2,000,000, and including applicable interest, fees, costs, professional fees, all of which continue to accrue.
4. The Secured Creditor will not have the right to enforce the Security until after the expiry of the ten-day period following the sending of this Notice, unless Demetrios Ragas consents to an earlier enforcement by executing the consent and waiver attached hereto as **Schedule “A”** and providing a copy of the same to the undersigned.

DATED at Toronto, Ontario this 3rd day of December, 2024.

ARBAT CAPITAL GROUP LTD.



Name: Alexey Golubovich
Title: Director

SCHEDULE “A”

**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT***

To: **DEMETRIOS RAGAS**

TAKE NOTE THAT:

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated December 3, 2024 pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of **DEMETRIOS RAGAS** and waives its right to the ten-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by Arbat Capital Group Ltd.

Dated at _____, this ____ day of ____, 2024.

DEMETRIOS RAGAS

December 3, 2024

Private and Confidential

Sent Via E-mail

The Second Cup Coffee Company Inc.
6303 Airport Road, Suite 103
Mississauga, ON L4V 1R8

Attention: Demetrios Ragas

Dear Mr. Ragas,

Re: Indebtedness of The Second Cup Coffee Company Inc. (the "Borrower") to Svetlana Bortsova (the "Lender").

We write to you in connection with the Borrower's indebtedness (the "**Indebtedness**", as more particularly described below) to the Lender.

We refer to the loan agreement between the Lender and the Borrower dated June 14, 2018 (the "**Loan Agreement**"). The Borrower is in default of its obligations to the Lender under the terms of the Loan Agreement for failing to pay any principal amount or interest. The Lender therefore declares the entire Indebtedness due and payable and hereby demands immediate payment of same.

As of the date hereof, the Borrower is indebted to the Lender in the principal amount of GBP £300,000 under the Loan Agreement, including interest owing on such amount that has been accrued in accordance with the Loan Agreement.

Additional interest will continue to accrue on the Indebtedness from the date hereof at the rates provided for in the Loan Agreement. The current interest rate is 16% per annum.

We hereby reserve and preserve all of the Lender's rights and remedies against the Borrower.

We trust that the foregoing is sufficiently clear. Please do not hesitate to contact the undersigned with any questions or comments.

Yours truly,

Svetlana Bortsova



December 3, 2024

Private and Confidential

Sent Via E-mail

The Second Cup Coffee Company Inc.
6303 Airport Road, Suite 103
Mississauga, ON L4V 1R8

Attention: Demetrios Ragas

Dear Mr. Ragas,

Re: Indebtedness of The Second Cup Coffee Company Inc. (the “Borrower”) to Park Investors LLC (the “Lender”).

We write to you in connection with the Borrower’s indebtedness (the “**Indebtedness**”, as more particularly described below) to the Lender.

We refer to the loan agreement between the Lender and the Borrower entered into in June of 2018 (the “**Loan Agreement**”). The Borrower is in default of its obligations to the Lender under the terms of the Loan Agreement for failing to pay any principal amount or interest. The Lender therefore declares the entire Indebtedness due and payable and hereby demands immediate payment of same.

As of the date hereof, the Borrower is indebted to the Lender in the principal amount of GBP £300,000 under the Loan Agreement, including interest owing on such amount that has been accrued in accordance with the Loan Agreement.

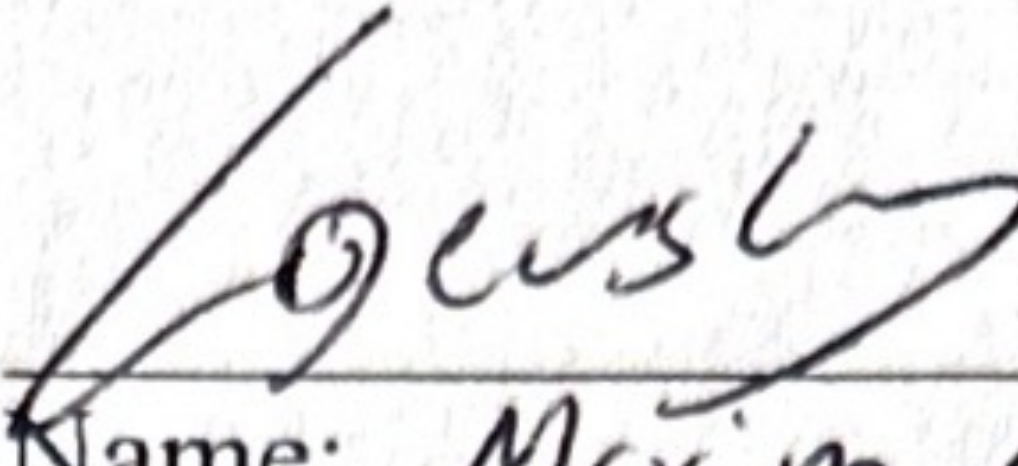
Additional interest will continue to accrue on the Indebtedness from the date hereof at the rates provided for in the Loan Agreement. The current interest rate is 16% per annum.

We hereby reserve and preserve all of the Lender’s rights and remedies against the Borrower.

We trust that the foregoing is sufficiently clear. Please do not hesitate to contact the undersigned with any questions or comments.

Yours truly,

PARK INVESTORS LLC


Name: *Maxim Lejeusky*
Title: *Manager*

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY INC..
Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

AFFIDAVIT OF ALEXEY GOLUBOVICH
(affirmed May 19, 2025)

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 6600
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

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

INITIAL ORDER

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

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

served as appears from the affidavit of service of Kim Sellers, sworn May 20, 2025, and on reading the consent of GTL to act as the Monitor,

SERVICE

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

APPLICATION

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

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

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Debtor in respect of these proceedings, at their standard rates and charges;
- (c) amounts owing for goods and services supplied to the Debtor on or after the date of this order if, in the opinion of the Monitor and the CRO, such goods and services are necessary for the operation or preservation of the Business or Property;
- (d) only with the consent of the Monitor, amounts owing for goods or services supplied to the Debtor prior to the Initial Order if, in the opinion of the Debtor and the Monitor, such payment is necessary or desirable to avoid disruption to the operation of the Business during the CCAA proceedings; and
- (e) any and all amounts that come due and owing to BMO.

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

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of

insurance (including directors and officers' insurance), maintenance and security services; and

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

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

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtor in connection with the sale of goods and services by the Debtor, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Debtor; and
- (d) any and all amounts that come due and owing to BMO.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Debtor shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Debtor and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly in equal payments on the first day of each month.

On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

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

RESTRUCTURING

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

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

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

11. **THIS COURT ORDERS** that the Debtor shall provide each of the relevant landlords with notice of the Debtor’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Debtor’s entitlement to remove any such fixture under the provisions of the lease, such fixture

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

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Debtor or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Debtor and the Monitor, or leave of this Court, provided that

nothing in this Order shall (i) empower the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

monies or otherwise extend any credit to the Debtor. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

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

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of

the Directors' Charge, and (b) the Debtor's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

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

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

- (a) monitor and approve in writing the Debtor's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Debtor, to the extent required by the Debtor, in its dissemination, to the Applicant in its capacity as lender under the DIP Facility Term Sheet (defined below) and its counsel of financial and other information as may be required by the Applicant which may be used in these proceedings including reporting on a basis to be agreed with the Applicant;
- (d) advise the Debtor in its preparation of the Debtor's cash flow statements and reporting required by the Applicant, which information shall be reviewed with the Monitor and delivered to the Applicant as required by the Applicant;

- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtor, to the extent that is necessary to adequately assess the Debtor's business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (g) execute the CRO Engagement (as defined below) on behalf of the Debtor; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.

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

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

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

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

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

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

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

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

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

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

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

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

DIP FINANCING

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

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

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

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

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

- (a) the Applicant may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Facility Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Facility Charge, the Applicant, upon three days notice to the Debtor and the Monitor, may exercise any and all of its rights and remedies against the Debtor or the Property under or pursuant to the DIP Facility Term Sheet, Definitive Documents and the DIP Facility Charge, including without limitation, to cease making advances to the Debtor and set off and/or consolidate any amounts owing by the Applicant to the Debtor against the obligations of the Debtor to the Applicant under the DIP Facility Term Sheet, the Definitive Documents or the DIP Facility Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Debtor and for the appointment of a trustee in bankruptcy of the Debtor; and
- (c) the foregoing rights and remedies of the Applicant shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtor or the Property.

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

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

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

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

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

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

45. **THIS COURT ORDERS** that the Directors’ Charge, the Administration Charge, the DIP Facility Term Sheet, the Definitive Documents and the DIP Facility Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) and/or the Applicant thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with

respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Facility Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Debtor of any Agreement to which it is a party;
- (b) neither the Debtor nor the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Debtor entering into the DIP Facility Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Debtor pursuant to this Order, the DIP Facility Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

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

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

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

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

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

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

SERVICE AND NOTICE

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

names, and addresses or individual creditors publicly available unless otherwise ordered by this Court.

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

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

COMEBACK MOTION

56. **THIS COURT ORDERS** that the return hearing for the amendment and restatement of this Order shall be heard on May 29, 2025.

GENERAL

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

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

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

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

61. **THIS COURT ORDERS** that any interested party (including the Applicant, the CRO, and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY
INC..
Respondent

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

INITIAL ORDER

MILLER THOMSON LLP

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Lawyers for the Applicant

TAB 4

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) ~~WEEKDAY~~ THURSDAY, THE #
) 22ND
JUSTICE — [●])
)
DAY OF ~~MONTH~~ MAY, ~~20YR~~ 2025

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

~~AND IN THE MATTER OF A PLAN OF COMPROMISE OR~~
~~ARRANGEMENT OF [APPLICANT'S NAME] (the "Applicant")~~

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

INITIAL ORDER

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

ON READING the affidavit of ~~[NAME]~~ ~~sworn~~ ~~[DATE]~~ Alexey Golubovich, affirmed
May 19, 2025 (the "Golubovich Affidavit") and the Exhibits thereto, and the pre-filing report
(the "Pre-Filing Report") of Grant Thornton Limited ("GTL") in its capacity as the proposed
monitor (in such capacity, the "Monitor"), and on being advised that the secured creditors who

are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant, The Second Cup Coffee Company Inc. (the “Debtor”), Demetrios Ragas (“Ragas”), and for GTL, no one appearing for ~~[NAME]~~¹the Bank of Montreal (“BMO”) although duly served as appears from the affidavit of service of ~~[NAME]~~Kim Sellers, sworn ~~[DATE]~~May 20, 2025, and on reading the consent of ~~[MONITOR’S NAME]~~GTL to act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

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

~~PLAN OF ARRANGEMENT~~

~~3. — THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “Plan”).~~

POSSESSION OF PROPERTY AND OPERATIONS

3. ~~4.~~ **THIS COURT ORDERS** that the ~~Applicant~~Debtor shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind

¹ ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

² ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicant Debtor shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicant Debtor is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. ~~5.~~ **[THIS COURT ORDERS** that the Applicant Debtor shall be entitled to continue to utilize ~~the central~~its cash management system³ currently in place ~~as described in the Affidavit of [NAME] sworn [DATE]~~, or replace it with another substantially similar ~~central~~ cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant Debtor of funds transferred, paid, collected or ~~otherwise~~other dealt ~~with in~~within the Cash Management System, shall be ~~entitled~~entitle to provide the Cash Management System without any liability in respect ~~thereof~~there of to any Person (as hereinafter defined) other ~~than that~~ the Applicant Debtor, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the Plan~~any plan or compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.]

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

³ ~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;~~and~~
- (b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Debtor in respect of these proceedings, at their standard rates and charges;
- (c) amounts owing for goods and services supplied to the Debtor on or after the date of this order if, in the opinion of the Monitor and the CRO, such goods and services are necessary for the operation or preservation of the Business or Property;
- (d) only with the consent of the Monitor, amounts owing for goods or services supplied to the Debtor prior to the Initial Order if, in the opinion of the Debtor and the Monitor, such payment is necessary or desirable to avoid disruption to the operation of the Business during the CCAA proceedings; and
- (e) any and all amounts that come due and owing to BMO.

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

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the ~~Applicant~~Debtor following the date of this Order.

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

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the ~~Applicant~~Debtor in connection with the sale of goods and services by the ~~Applicant~~Debtor, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, ~~and;~~
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Debtor; and
- (d) any and all amounts that come due and owing to BMO.

8. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for-resiliated~~⁴ in accordance with the CCAA, the ~~Applicant~~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 ~~Applicant~~Debtor and the landlord

⁴ ~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

from time to time ("Rent"), for the period commencing from and including the date of this Order, ~~twice~~-monthly in equal payments on the first ~~and fifteenth~~ day of each month, ~~in advance (but not in arrears)~~. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

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

RESTRUCTURING

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

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, ~~[and to dispose of redundant or non-material assets not exceeding \$● in any one transaction or \$● in the aggregate]⁵;~~
- (b) ~~t~~erminate 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,

⁵ ~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

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

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

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

NO PROCEEDINGS AGAINST THE APPLICANT DEBTOR OR THE PROPERTY

13. ~~14.~~ **THIS COURT ORDERS** that until and including ~~[DATE—MAX. 30 DAYS]~~ June 1, 2025, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or

continued against or in respect of the ~~Applicant~~Debtor or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Debtor and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the ~~Applicant~~Debtor or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

16. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the ~~Applicant~~Debtor, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the

supply of such goods or services as may be required by the ~~Applicant~~Debtor, and that the ~~Applicant~~Debtor shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~Debtor in accordance with normal payment practices of the ~~Applicant~~Debtor or such other practices as may be agreed upon by the supplier or service provider and each of the ~~Applicant~~Debtor and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Debtor. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

⁶ ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

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 ApplicantDebtor shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the ApplicantDebtor after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the ApplicantDebtor shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$●100,000, as security for the indemnity provided in paragraph {20} of this Order. The Directors' Charge shall have the priority set out in paragraphs {38}41 and {40}43 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the ApplicantDebtor'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.

⁷ ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

⁸ ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

APPOINTMENT OF MONITOR

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

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

- (a) monitor and approve in writing the ~~Applicant~~Debtor's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the ~~Applicant~~Debtor, to the extent required by the ~~Applicant~~Debtor, in its dissemination, to the ~~DIP Lender~~Applicant in its capacity as lender under the DIP Facility Term Sheet (defined below) and its counsel ~~on a [TIME INTERVAL] basis~~ of financial and other information as ~~agreed to between~~may be required by the ~~Applicant and the DIP Lender~~ which may be used in these proceedings including reporting on a basis to be agreed with the ~~DIP Lender~~Applicant;
- (d) advise the ~~Applicant~~Debtor in its preparation of the ~~Applicant~~Debtor's cash flow statements and reporting required by the ~~DIP Lender~~Applicant, which information shall be reviewed with the Monitor and delivered to the ~~DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~
- (e) ~~advise the Applicant in its development of the Plan and any amendments to the Plan;~~

~~(f) — assist the Applicant, to the extent~~as required by the Applicant, ~~with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;~~

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

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

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

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

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

26. THIS COURT ORDERS that all Persons shall forthwith advise the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Monitor or permit the Receiver to make, retain and take away copies thereof and grant to the Monitor unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 26 or in paragraph 27 of this Order shall require the delivery of

Records, or the granting of access to Records, which may not be disclosed or provided to the Monitor due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

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

30. ~~26.~~**THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or

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

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

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

33. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO (as hereinafter defined) and counsel to the Applicant shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order, by the

~~ApplicantDebtor~~ as part of the costs of these proceedings whether incurred prior to, on, or subsequent to the date of this Order. The ~~ApplicantDebtor~~ is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO, and counsel for the Applicant on a ~~[TIME INTERVAL]~~weekly basis~~and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$● [, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.~~

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

35. ~~31.~~ **THIS COURT ORDERS** that the Monitor, and counsel to the Monitor, ~~if any~~the CRO, and counsel to the Applicant's~~counsel~~ shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$●275,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~38~~41 and ~~40~~43 hereof.

DIP FINANCING

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

~~33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

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

38. ~~35.~~ **THIS COURT ORDERS** that the ~~DIP Lender~~Applicant shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Facility Charge") on the Property, in the maximum amount of \$200,000 plus interest, fees, and expenses pursuant to the DIP Facility Term Sheet, which ~~DIP Lender's Facility~~ Charge shall not secure an obligation that exists before this Order is made. The ~~DIP Lender's Facility~~ Charge shall have the priority set out in paragraphs ~~{38}~~41 and ~~{40}~~43 hereof.

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

- (a) the ~~DIP Lender~~Applicant may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the ~~DIP Lender's Facility~~ Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the ~~DIP Lender's Facility~~ Charge, the ~~DIP Lender~~Applicant, upon ~~●~~three days notice to the ~~Applicant~~Debtor and the Monitor, may exercise any and all of its rights and remedies against the ~~Applicant~~Debtor or the Property under or pursuant to the ~~Commitment Letter~~DIP Facility Term Sheet, Definitive Documents and the ~~DIP Lender's Facility~~ Charge, including without limitation, to cease making advances to the

~~Applicant Debtor~~ and set off and/or consolidate any amounts owing by the ~~DIP Lender~~ to the Applicant to the Debtor against the obligations of the ~~Applicant Debtor~~ to the ~~DIP Lender Applicant~~ under the ~~Commitment Letter~~ DIP Facility Term Sheet, the Definitive Documents or the DIP ~~Lender's Facility~~ Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the ~~Applicant Debtor~~ and for the appointment of a trustee in bankruptcy of the ~~Applicant Debtor~~; and

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. ~~38.~~ **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP ~~Lender's Facility~~ Charge (together, the "Charges"), as among them, shall be as follows⁹:

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

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

⁹ ~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

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

42. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors’ Charge, the Administration Charge or the DIP Lender’s Charge (collectively, the “Charges”)~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

43. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors’ Charge, the Administration Charge and the DIP Lender’s Charge~~Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “Encumbrances”) in favour of any Person, except that the Charges shall rank subordinate to any and all indebtedness owing by the Debtor to the BMO and all security in favour of BMO to secure such indebtedness.

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

45. ~~42.~~ **THIS COURT ORDERS** that the Directors’ Charge, the Administration Charge, the ~~Commitment Letter~~DIP Facility Term Sheet, the Definitive Documents and the DIP ~~Lender’s~~Facility Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “Chargees”) and/or the ~~DIP Lender~~Applicant thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e)

any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ~~Commitment Letter~~ DIP Facility Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant Debtor of any Agreement to which it is a party;
- (b) ~~none of~~ neither the Debtor nor the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant Debtor entering into the ~~Commitment Letter~~ DIP Facility Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicant Debtor pursuant to this Order, the ~~Commitment Letter~~ DIP Facility Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

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

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

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

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

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

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

SERVICE AND NOTICE

53. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~ the Globe & Mail (National Edition) a notice containing the

information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the ~~Applicant~~Debtor of more than \$~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names, and addresses or individual creditors publicly available unless otherwise ordered by this Court.

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

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

COMEBACK MOTION

56. **THIS COURT ORDERS** that the return hearing for the amendment and restatement of this Order shall be heard on May 29, 2025.

GENERAL

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

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

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

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

61. ~~51.~~ **THIS COURT ORDERS** that any interested party (including the Applicant, the CRO, and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY
INC..
Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

INITIAL ORDER

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Document comparison by Workshare Compare on Monday, May 19, 2025 8:40:24 PM

Input:	
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Description	#83441796v1<Legal> - Model CCAA Order
Document 2 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/83721261/8
Description	#83721261v8<Legal> - Initial Order [Draft May 19]
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
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Format change	
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Moved cell	
Split/Merged cell	
Padding cell	

Statistics:

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Deletions	343
Moved from	2
Moved to	2
Style changes	0
Format changes	0
Total changes	728

TAB 5

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

CONSENT TO ACT AS MONITOR

Grant Thornton Limited, hereby consents to act as Monitor of The Second Cup Coffee Company Inc., pursuant to any order made by this Court under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, if so appointed by this Honourable Court.

Dated at Toronto this 13th day of May 2025

GRANT THORNTON LIMITED

Per:

Signed by:



8D583F070A634F0...

Name: Jason Kanji, CPA, CA, CIRP, LIT

Title: Vice President

(I have the authority to bind the corporation)

ARBAT CAPITAL GROUP LTD.
Applicant

and THE SECOND CUP COFFEE COMPANY INC.. Court File No. CV-25-00743485-00CL
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

MONITOR'S CONSENT

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Lawyers for the Applicant

ARBAT CAPITAL GROUP LTD.
Applicant

and THE SECOND CUP COFFEE COMPANY INC. Court File No. CV-25-00743485-00CL
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

APPLICATION RECORD

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