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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

- and -

THE SECOND CUP COFFEE COMPANY INC.

Respondent

MOTION RECORD

October 20, 2025

CASSELS BROCK & BLACKWELL LLP
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Monique Sassi LSO #: 63638L
Tel: 416.860.6886
msassi@cassels.com

Joshua Gordon LSO #: 91617D
Tel: 416.869.5343
jgordon@cassels.com

Lawyers for the Court-Appointed Monitor, Grant Thornton Limited

TO: THE SERVICE LIST

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

SERVICE LIST
As at October 20, 2025

PARTY	METHOD OF DELIVERY	ROLE/INTEREST
MILLER THOMSON LLP Scotia Plaza 40 King Street West, Suite 6600 P.O. Box 1011 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	Email	Lawyers for the Applicant
DRUDI ALEXIOU KUCHAR LLP Barristers-At-Law The Madison Centre 4950 Yonge Street, Suite 508 Toronto, Ontario M2N 6K1 **Constantine Alexiou** LSO# 29362Q Email: calexiou@dakllp.com Tel: 905.850.6116	Email	Lawyers for the Respondent, The Second Cup Coffee Company Inc

GRANT THORNTON LIMITED 200 King St West 11th Floor Toronto ON M5H 3T4 **Jason Kanji** Email: Jason.Kanji@doane.gt.ca Tel: 416.777 6136 **Jesse Cooper** Email: Jesse.Cooper@doane.gt.ca Tel: 416.360.2364 **Michael Dellaire** Email: Michael.Dellaire@doane.gt.ca Tel : 416.607.2689	Email	Monitor
CASSELS BROCK & BLACKWELL LLP Bay Adelaide Centre – North Tower 40 Temperance Street Suite 3200 Toronto, ON M5H 0B4 **Monique Sassi** LSO # 63638L Email : msassi@cassels.com Tel : 416.860.6886 **Joshua Gordon** LSO # 91617D Email: jgordon@cassels.com Tel: 416.869.5343	Email	Counsel for the Monitor
NECPAL LITIGATION 65 Front Street East Suite 300 Toronto, Ontario M5E 1B5 **David Salter** LSO# 80519K Email: dsalter@necpal.com Tel: 416.613.9156 **Justin Necpal** LSO# 56126J Email: justin@necpal.com Tel: 416.613.7630	Email	Counsel for Demetrios (Jim) Ragas
BANK OF MONTREAL **Hussein Savji** Email: Hussein.Savji@bmo.com Tel: 416.350.0546	Email	Secured Creditor

CHAITONS LLP 5000 Yonge Sttreet 10th Floor Toronto, ON, M2N 7E9 **Mark Klar** LSO# 30722A Email: Mark-k@chaitons.com Tel: 416.218.1131 **Danish Afroz** LSO# 65786B Email: DAfroz@chaitons.com Tel: 416.218.1137	Email	Counsel for Bank of Montreal
BARLAW PROFESSIONAL CORPORATION Barristers and Solicitors 200 Consumers Road, Suite 803 Toronto, Ontario M2J 4R4 **Patrick Bakos** LSO #61195P Email: pb@barlaw.ca Tel: 416.939.2426	Email	Counsel for the Applicants, Levelen Corp. Leonid Pekker and Vera Pekker in the Levelen Application (CV-24-00727683-00CL)
CLYDE & CO CANADA LLP 401 Bay Street, Suite 2500 Toronto, Ontario M5H 2Y4 **George Karayannides** LSO #2584500 Email: george.karayannides@clydeco.ca Tel: 647.789.4831 **Camille Beaudoin** LSO# 82615P Email: camille.beaudoin@clydeco.ca Tel: 647.789.4807	Email	Counsel for Demetrios (Jim) Ragas and Constantine Ragas in the Levelen Application (CV-24-00727683-00CL)
GOVERNMENTAL AGENCIES		
CANADA REVENUE AGENCY Ontario Regional Office Department of Justice Canada 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca Tel: 416.973.0942 Alt: 647.256.1663	Email	Government Agency

DEPARTMENT OF JUSTICE 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 **Edward Park** LSO# 45496L Email: edward.park@justice.gc.ca Tel: 647.292.9368 **Fozia Chaudary** LSO# 52787D Email: fozia.chaudary@justice.gc.ca Tel: 647.256.7347 **Vaughan Thatcher** Email: vaughan.thatcher@justice.gc.ca Tel: 416.518.0089	Email	Counsel to the Canada Revenue Agency
MINISTRY OF FINANCE (ONTARIO) Legal Services Branch 777 Bay Street, 11th Floor Toronto, ON M5G 2C8 Email: insolvency.unit@ontario.ca	Email	Government Agency
OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge Street, 4th Floor Toronto, ON M5C 2W7 Email: osbccaa-laccbsf@ised-isde.gc.ca	Email	Government Agency
CREDITORS		
BMW CANADA INC. 50 Ultimate Drive Richmond Hill, ON L4S 0C8	Courier	Creditor

EMAIL SERVICE LIST

gfinlayson@millerthomson.com; lellis@millerthomson.com; mcressatti@millerthomson.com; calexiou@dakllp.com; Jason.Kanji@doane.gt.ca; Jesse.Cooper@doane.gt.ca; Michael.Dellaire@doane.gt.ca; msassi@cassels.com; jgordon@cassels.com; dsalter@necpal.com; justin@necpal.com; fozia.chaudary@justice.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; Edward.park@justice.gc.ca; insolvency.unit@ontario.ca; osbccaa-laccbsf@ised-isde.gc.ca; Hussein.Savji@bmo.com; Mark-k@chaitons.com; DAfroz@chaitons.com; pb@barlaw.ca; george.karayannides@clydeco.ca; camille.beaudoin@clydeco.ca; julie.thorburn@clydeco.ca; vaughan.thatcher@justice.gc.ca; legal@yogenfruz.com

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

I N D E X

N.	Confidential Appendix “B” – Draft Amending Agreement No. 1 to Stalking Horse Subscription Agreement
O.	Confidential Appendix “C” – Copy of Back-Up Bid
P.	Confidential Appendix “D” – Proposed Transaction Waterfall
Q.	Confidential Appendix “E” – ResidualCo. Cash Flow
3.	Draft Approval and Reverse Vesting Order
4.	Draft Ancillary Order

TAB 1

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

- and -

THE SECOND CUP COFFEE COMPANY INC.

Respondent

NOTICE OF MOTION
(Returnable October 30, 2025)

Grant Thornton Limited ("**GTL**"), in its capacity as court-appointed monitor (in such capacity, the "**Monitor**") of the Second Cup Coffee Company Inc. ("**Second Cup**" or the "**Debtor**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), will make a motion to a Judge of the Court on October 30, 2025, at 10:00 a.m., or as soon after that time as the motion can be heard, by videoconference via Zoom.

PROPOSED METHOD OF HEARING:

[ ] In writing under subrule 37.12.1(1) because it is;
[ ] In writing as an opposed motion under subrule 37.12.1(4);
[ ] In person;
[ ] By telephone conference;
[X] By Video conference.

Video conference link to be provided by Court office.

Please advise if you plan to attend the motion by emailing jgordon@cassels.com

THE MOTION IS FOR:[1]

1. An order (the "**RVO**") substantially in the form of the draft order attached at **Tab "3"** to the Motion Record, among other things:

   (a) abridging the time for service of the Notice of Motion and the Motion Record herein and dispensing with service on any other person other than those served, if necessary;

   (b) approving the stalking horse subscription agreement dated as of August 15, 2025, to be amended by the Amended Agreement No. 1 to the Stalking Horse Subscription Agreement, to be executed (the "**Amending Agreement**" and collectively, the "**Amended Purchase Agreement**") between Second Cup and Arbat Capital Group Ltd. ("**Arbat**", or the "**Purchaser**"), as purchaser, and the transaction contemplated therein (the "**Proposed Transaction**");

   (c) transferring and vesting all of the Debtor's rights, title and interest in and to the Purchased Shares and Retained Assets (each as defined in the Amended Purchase Agreement) in the Purchaser;

   (d) transferring and vesting all of the Debtor's rights, title and interest in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (each as defined in the Amended Purchase Agreement) in ResidualCo. (as defined in the RVO);

   (e) directing the closing cash payment (the "**Closing Payment**") to be paid to the Monitor and authorizing the Monitor to pay from the Closing Payment (i) priority payments prescribed under section 6 of the CCAA (the "**Priority Payments**"); and

[1] Capitalized terms not defined herein shall have the meanings ascribed to them in the Third Report.

(ii) amounts secured under the Administration Charge (as defined below); with the balance of the Closing Payment to be held by the Monitor in trust to fund costs incurred by the Monitor and its professional advisors after closing to administer ResidualCo. including any distributions pursuant to the resolution of claims, to wind-down and/or dissolve ResidualCo.;

(f) expanding the powers of the Monitor and authorizing the Monitor to take such steps and actions on behalf of the Debtor to complete the Proposed Transaction, including authorizing the Monitor to execute the Amending Agreement;

(g) expanding the powers of the Monitor over ResidualCo. and authorizing the Monitor to, among other things, make an assignment in bankruptcy on behalf of ResidualCo.;

(h) adding ResidualCo. as a Respondent to these CCAA Proceedings and following closing, removing Second Cup as Respondent to these CCAA proceedings; and

(i) approving releases for (i) certain of Second Cup's directors, (ii) the consultants, legal counsel, directors, employees and other advisors of the Debtor and ResidualCo.; (iii) the Monitor and its legal counsel and respective current directors, officers, partners, employees, consultants, and advisors; and (iv) the CRO (as defined below) (collectively, the "**Released Parties**").

2. An order (the "**Ancillary Order**") substantially in the form attached as **Tab "4"** to the within Motion Record, among other things:

(a) extending the Stay Period up to and including January 31, 2026;

(b) sealing the Confidential Appendices to the Third Report of the Monitor dated October 20, 2025 (the "**Third Report**");

(c) approving the Third Report and the activities of the Monitor referred to therein; and

(d) approving the fees and disbursements of the Monitor and its counsel, as set out in the Fee Affidavits (as defined below);

3. Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

Background

4. Second Cup owns or controls the "Second Cup Café" brand outside of Canada and franchises these rights under master franchise agreements across the world. The franchises operate in multiple jurisdictions with trademark and copyright registrations in additional jurisdictions worldwide.

5. Arbat is the largest creditor and a 40% shareholder of Second Cup. Arbat commenced these CCAA proceedings which was supported by the majority shareholders and creditors of the Debtor.

6. The Ontario Superior Court of Justice issued an initial order in respect of Second Cup on May 22, 2025, as amended and restated on May 29, 2025 (the "**ARIO**"). The ARIO, among other things: (i) appointed GTL as Monitor; (ii) appointed Maxim Lojevsky as the Chief Restructuring Officer ("**CRO**"); (iii) granted a stay or proceedings which currently expires on November 7, 2025; (iv) approved an administration charge in the amount of $500,000 (the "**Administration Charge**"); (v) approved interim financing and a corresponding charge in the amount of $900,000 with Arbat as lender, and (vi) approved a directors' charge in the amount of $220,000.

7. On May 29, 2025, the Court granted an order (the "**Claims Identification Order**"), approving a process to identify claims which may be outstanding in respect of the Debtor or the board of directors of the Debtor.

8. On August 21, 2025, the Court granted an order (the "**SISP Order**") approving a process whereby the Monitor would solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Debtor's assets and business (the "**SISP**") and approving a stalking horse agreement by Arbat as Purchaser.

<u>Conduct of SISP</u>

9. The Monitor conducted the SISP in accordance with SISP Order.

10. The Monitor received more than one Qualified Bid (as defined in the SISP) other than the stalking horse agreement and, in accordance with the SISP Order conducted an auction (the "**Auction**").

11. The Auction was administered by the Monitor on October 3, 2025, via Microsoft Teams and proceeded over several rounds. Qualified Bidders (as defined in the SISP) submitted Overbids (as defined in the SISP) in each round, comprising of cash consideration. All bids were received on an open basis, with both Qualified Bidders present for each submission.

12. The Auction concluded when the Qualified Bidder, other than the Purchaser, confirmed on the record that it would not submit a further Overbid.

13. The Monitor announced that the bid submitted by Purchaser represented the highest consideration and was the best bid of the Auction. The other Qualified Bidder was designated as the Back-Up Bid (as defined in the SISP).

14. If the RVO is granted, an amendment to the Stalking Horse Agreement to reflect the updated purchase price that arose from the Auction, will be executed, as described below.

Approval of the Amended Purchase Agreement and Proposed Transaction

15. Pursuant to the Amended Purchase Agreement and Proposed Transaction:

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

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

(i) creating a new class of common shares of Second Cup; and

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

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

(d) the Excluded Assets, Excluded Liabilities and Excluded Contracts will be removed from Second Cup and vest in ResidualCo.;

(e) for certainty, the interests, obligations and payments relating to the Purchase Price will be transferred to ResidualCo. for eventual distribution to Second Cup's creditors by the Monitor pursuant to an order of the Court;

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

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

(h) following closing, ResidualCo. will have more than $5 million in liabilities and will be insolvent, will replace Second Cup as the Respondent in these CCAA proceedings and Second Cup will exit the CCAA proceedings.

16. The Purchase Price consists of the:

(a) assumption of the amounts owing under the DIP loan as a Retained Liability under the Amended Purchase Agreement;

(b) assumption of the secured indebtedness owing to Bank of Montreal as a Retained Liability; and

(c) cash Closing Payment to be paid to the Monitor including the final purchase price following the Auction.

17. The RVO and Amended Purchase Agreement provides that on Closing, the Closing Payment will be paid to the Monitor (including the additional Overbid amount owing from the Auction), in trust and the Monitor shall use these funds to pay:

(a) the Priority Payments; and

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

18. The balance of the Closing Payment will be used by the Monitor to satisfy costs incurred by the Monitor and its professional advisors after Closing to:

(a) administer ResidualCo. and the Excluded Assets and Excluded Liabilities;

(b) wind-down and/or dissolve ResidualCo.; and

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

19. The Purchaser has requested that the Proposed Transaction be completed through a reverse vesting structure and advised that retaining the master franchise agreements and the intellectual property is critical to continuing operations and maintaining control of the brand.

20. Due to the multiple jurisdictions, the transfer of the master franchise agreements and the intellectual property to the Purchaser through a traditional vesting order would create material uncertainty around the timing, cost, and acceptance across the various jurisdictions.

21. Both bids received in the SISP contemplated an RVO as integral to any transaction. The RVO structure in these circumstances provides a timely and efficient manner to transfer the intellectual property without material risks, delays and costs.

22. The Purchaser is a “related person” under the CCAA. In accordance with Section 36 of the CCAA, however, good faith efforts were made to sell the assets to non-related parties, and the proposed consideration is superior to any other offer from the SISP.

23. A comprehensive and competitive sale process was conducted by the Monitor, involving numerous potential bidders unrelated to the Debtor, including a second Qualified Bidder who participated in a multiple-round Auction.

24. The SISP provided a reasonable opportunity for any potential purchasers and investors to engage with the Monitor in connection with its business for the benefit of its stakeholders and the process ensured the highest possible purchase price, as evidenced by the price increase resulting from the Auction.

Releases

25. The proposed RVO includes releases for the Released Parties, excluding claims for fraud or misconduct.

26. The releases are limited to claims arising out of in connection with the CCAA proceeding, Proposed Transaction and the Amended Purchase Agreement.

27. These releases are sought to provide certainty and finality, recognizing the significant contributions of the Released Parties throughout the restructuring and transaction process.

28. The Monitor considers these releases reasonable and appropriate, noting that while the circumstances of this CCAA Proceeding are somewhat unique, similar releases have been granted in other CCAA proceedings that contemplate a similar proposed transaction.

Expanded Powers of the Monitor

29. Since the Debtor's President and CEO has resigned and the CRO is participating as in the Proposed Transaction, the Monitor requires expanded powers to close the Proposed Transaction on behalf of the Debtor. The proposed RVO also authorizes the Monitor to execute the Amending Agreement to reflect the increased purchase price from the Auction.

30. In connection with the RVO, the Monitor is seeking to obtain expanded powers in these CCAA proceedings to authorize and empower the Monitor to take all actions necessary to, among other things, bankrupt ResidualCo.

<u>Sealing of Confidential Appendices</u>

31. The Monitor seeks an order sealing the Confidential Appendices to the Third Report until the earlier of (i) the closing of the Proposed Transaction, if approved, or (ii) further order of the Court.

32. The Confidential Appendices contain commercially sensitive information, including the purchase price under the Amended Purchase Agreement and public disclosure of this information could negatively impact recoveries of the Proposed Transaction or Back-Up Bid.

33. The sealing order is limited in duration, consistent with past practice in similar proceedings and the benefits of sealing outweigh any potential adverse effects in the circumstances.

34. The Monitor is not aware of any party that would be prejudiced by the proposed sealing of the Confidential Appendices.

<u>Approval of the Monitor's Reports, Conduct, and Activities</u>

35. The Monitor seeks approval of the Third Report, and the activities of the Monitor described therein, as well as approval of the fees and disbursements of the Monitor and Cassels referred to

in the affidavit of Natalie E. Levine sworn October 20, 2025 and the affidavit of Jason Kanji sworn October 20, 20205 (the "**Fee Affidavits**") included in the Third Report.

36. The Monitor and its counsel have undertaken critical activities in the administration of these CCAA proceedings. The fees are reasonable, commensurate with the work performed to date, and reflect the complexity of these CCAA proceedings as communicated to the Court through its reports to date.

<u>Stay Extension</u>

37. The current stay of proceedings expires on November 7, 2025.

38. Considering the timeline of the Proposed Transaction, and the Debtor's cash flow needs prior to and post-Closing, the Monitor is seeking the approval of the Court that the Stay Period be extended to January 31, 2026.

39. No party will be prejudiced by the requested stay extension.

OTHER GROUNDS

40. The requested RVO and Ancillary Order are reasonable and appropriate in the circumstances and will allow the Purchaser and Second Cup to complete the Proposed Transaction and for the Monitor to wind up these CCAA proceedings.

41. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16, 37, and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.

42. Sections 5.1(2), 11, 23, and 36 of the CCAA and other applicable provisions of the CCAA and the inherent and equitable jurisdiction of this Court.

43. Sections 97, 106, 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

44. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

(a) Motion Record of the Monitor;

(b) The Third Report; and

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

October 20, 2025

CASSELS BROCK & BLACKWELL LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Monique Sassi LSO #: 63638L
Tel: 416.860.6886
msassi@cassels.com

Joshua Gordon LSO #91617D
Tel: 416.869.5343
jgordon@cassels.com

Lawyers for the Monitor, Grant Thorton Limited

TO: **THE SERVICE LIST**

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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

Monique Sassi LSO #: 63638L
Tel: 416.860.6886
msassi@cassels.com

Joshua Gordon LSO #91617D
Tel: 416.869.5343
jgordon@cassels.com

Lawyers for the Court-Appointed Monitor, Grant Thornton Limited

TAB 2

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

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

October 20, 2025

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

TABLE OF CONTENTS

APPENDICES

Appendix A – Amended and Restated Initial Order dated May 29, 2025

Appendix B – Claims Identification Order dated May 29, 2025

Appendix C – SISP Order dated August 21, 2025

Appendix D – Ancillary Order dated August 21, 2025

Appendix E – Monitor's Second Report dated August 18, 2025

Appendix F – Second Cup Teaser

Appendix G – Newspaper Advertisement of SISP

Appendix H – Auction Procedures

Appendix I – Redacted Draft Amending Agreement No. 1 to Stalking Horse Subscription Agreement

Appendix J – October 20 Cash Flow

Appendix K – Fee Affidavit of Jason Kanji sworn October 20, 2025

Appendix L – Fee Affidavit of Natalie E. Levine sworn October 20, 2025

CONFIDENTIAL APPENDICES

Confidential Appendix A – Minutes of the Auction

Confidential Appendix B – Draft Amending Agreement No. 1 to Stalking Horse Subscription Agreement

Confidential Appendix C – Copy of Back-Up Bid

Confidential Appendix D – Proposed Transaction Waterfall

Confidential Appendix E – ResidualCo. Cash Flow

INTRODUCTION

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

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

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

4. The Initial Order, among other things:

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

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

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

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

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

(f) granted the DIP Lender a priority charge on the Property of Second Cup (the "**DIP Facility Charge**"), in the maximum amount of $200,000 plus interest, fees, and expenses pursuant to the DIP Facility Term Sheet, which DIP Facility Charge shall not secure an obligation that exists before the Initial Order was made;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PURPOSE OF THE THIRD REPORT

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

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

(b) an update on the Claims Identification Process;

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

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

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

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

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

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

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

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

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

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

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

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

TERMS OF REFERENCE

12. In preparing this Third Report, the Monitor has been provided with, and has relied upon unaudited internal financial statements, certain other financial information and financial projections of the Debtor, discussions with the management and shareholders of the Debtor ("**Management**"), discussion with the Applicant's counsel, and financial information provided by other stakeholders (collectively, the "**Information**"). While the Monitor reviewed the Information for reasonableness and believes that the information herein provides a fair summary of the transactions as reflected in the documents of the Debtor, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Generally Accepted Auditing Standards.

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

14. Over the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Debtor and its Management, within the context in which such Information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that Management bring to its attention any significant matters which were not addressed during the Monitor's specific inquiries. Accordingly, this Third Report is based solely on the information (financial or otherwise) made available to the Monitor by the Applicant, the Debtor, Management, the CRO and respective counsellors involved in these CCAA Proceedings.

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

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

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

ACTIVITIES OF THE MONITOR

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

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

    i. the Applicant's Motion Record returnable on August 21, 2025;

    ii. the Second Report dated August 18, 2025;

    iii. the Endorsement of Justice Osborne dated August 21, 2025;

    iv. the Ancillary Order dated August 21, 2025;

    v. the SISP Order dated August 21, 2025;

    vi. the SISP;

    vii. a SISP solicitation document (the "**Teaser Letter**");

    viii. a non-disclosure agreement ("**NDA**") for parties to participate in the SISP; and

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

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

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

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

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

(f) administered the Claim Identification Process; and

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

CLAIMS IDENTIFICATION PROCESS

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

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

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

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

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

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

Monitor's Determination of Priority Claims

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

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

Monitor's Adjudication of Claims

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

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

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

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

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

SALE AND INVESTMENT SOLICITATION PROCESS

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

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

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

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

Marketing Overview

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

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

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

Due Diligence

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

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

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

The Bidders

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

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

Insider Involvement

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

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

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

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

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

<u>Bids Received</u>

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

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

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

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

The Auction: Selection of the Successful Bidder and the Back-Up Bidder

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

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

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

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

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

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

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

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

MONITOR'S VIEW ON THE SISP

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

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

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

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

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

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

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

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

THE PROPOSED TRANSACTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consideration Received Pursuant to Amended Purchase Agreement

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

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

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

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

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

Administrative Wind-down Amount

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

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

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

(a) to pay the Priority Payments;

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

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

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

a. administer ResidualCo and the Excluded Assets and Excluded Liabilities

b. wind-down and/or dissolve ResidualCo;

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

PROPOSED APPROVAL AND REVERSE VESTING ORDER

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

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

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

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

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

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

(d) the debtor company exits the CCAA Proceedings.

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

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

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

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

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

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

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

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

MONITOR'S VIEW ON APPROPRIATENESS OF THE RVO

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

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

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

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

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

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

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

<u>Necessity and Characteristics of the RVO</u>

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

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

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

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

(the “**Second Cup IP**”)

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

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

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

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

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

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

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

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

Economic and Stakeholder Impact of the RVO Relative to Viable Alternatives

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

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

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

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

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

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

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

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

Notice of RVO Application to All Known Creditors

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

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

Considerations as Related Party Transaction

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

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

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

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

Conclusion: Monitor's View on Appropriateness of RVO

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

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

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

PROJECTED IMPACT OF THE PROPOSED TRANSACTION ON CREDITORS

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

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

Releases

The proposed RVO includes releases in favour of:

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

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

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

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

(e) the CRO;

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

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

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

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

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

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

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

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

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

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

ENHANCED POWERS OF THE MONITOR

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

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

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

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

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

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

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

SEALING ORDER

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

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

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

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

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

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

CASH FLOW FORECAST AND THE DEBTORS' RECEIPTS AND DISBURSEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

126. The Monitor has reviewed the October 20 Cash Flow to the standard required of a Court-appointed monitor by s. 23(1)(b) of the CCAA. The Monitor's review of the October 20 Cash Flow consisted of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by Management and the CRO of the Debtor. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to same were limited to evaluating whether they were consistent with the purpose of the October 20 Cash Flow. The Monitor has also reviewed the support provided by the Debtor for the Probable and Hypothetical Assumptions and the preparation and presentation of the October 20 Cash Flow. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

(a) the Probable and Hypothetical Assumptions are not consistent with the purpose of the October 20 Cash Flow;

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

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

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

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

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

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

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

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

128. Since the October 20 Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the Probable and Hypothetical Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the October 20 Cash Flow will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy or completeness of any financial information presented in this Third Report or relied upon by the Monitor in preparing this Third Report.

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

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

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

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

EXTENSION OF THE STAY PERIOD

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

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

FEES AND DISBURSEMENTS OF THE MONITOR AND COUNSEL

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

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

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

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

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

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

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

CONCLUSION

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

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

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

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

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

DocuSigned by:

Per: Jason Kanji
5B43CCA3D954459...

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

Appendix A

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

AMENDED AND RESTATED INITIAL ORDER

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

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

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

SERVICE

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

APPLICATION

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RESTRUCTURING

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

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

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

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

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

APPOINTMENT OF MONITOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DIP FINANCING

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

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

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

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

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

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

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

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

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

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

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

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

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

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

SERVICE AND NOTICE

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

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

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

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

GENERAL

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

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

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

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

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

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

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY INC..
Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

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

Gavin H. Finlayson LSO# 44126D
Email: gfinlayson@millerthomson.com
Tel: 416.595.8619

Larry Ellis LSO# 49313K
Email: lellis@millerthomson.com
Tel: 416.595.8639

Matthew Cressatti LSO# 77944T
Email: mcressatti@millerthomson.com
Tel: 416-597-4311

Lawyers for the Applicant

Appendix B

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

CLAIMS IDENTIFICATION ORDER

THIS MOTION, made by the applicant, Arbat Capital Group Ltd. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order establishing a Claims Identification Process to identify and quantify Claims (defined below), was heard this day via Zoom videoconference.

ON READING the affidavit of Alexey Golubovich, sworn May 27, 2025 and the Exhibits thereto and the report to the court dated May 28, 2025 of Grant Thornton Limited, in its capacity as CCAA monitor ("**Monitor**") of The Second Cup Coffee Company Inc. (the "**Debtor**") dated May 27, 2025, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, and such other parties listed on the participant information form, with no one else appearing for any other party although duly served as appears from the affidavit of service of Kim Sellers affirmed on May 27, 2025, filed,

SERVICE

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

DEFINITIONS AND INTERPRETATION

2. **THIS COURT ORDERS** that unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

3. **THIS COURT ORDERS** that for the purposes of this Order the following terms shall have the following meanings:

(a) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

(b) "**Business Day**" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario.

(c) "**Books and Records**" means the books and records of the Debtor related to the operations of the business of the Debtor, including employee records, account ledgers, transaction records, payment records, and other similar information, either in physical or electronic form.

(d) "**CCAA**" has the meaning ascribed to it in the preamble to this Claims Identification Order.

(e) "**Charges**" shall have the meaning ascribed to it in the Initial Order.

(f) "**Claim**" means each of:

(i) any right or claim of any Person against the Debtor, in connection with any indebtedness, liability or obligation of any kind whatsoever and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including, by reason of any breach of contract (whether oral or written), any breach of duty (including, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property, contracts or assets or right to a trust or deemed trust (whether statutory, express, implied, resulting, constructive or otherwise), the right or ability of any Person to advance a claim for contribution or indemnity (including any claim by a Director or Officer against the Debtor for contribution and/or indemnity arising from any D&O Claim (as defined below)) for or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation (A) is based in whole or in part on facts existing prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) would have been a claim provable in bankruptcy had the Debtor become bankrupt on the Filing Date (each, a "**Pre-Filing Claim**", and collectively, the "**Pre-Filing Claims**");

(ii) any indebtedness, liability or obligation of any kind with respect to the Debtor arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date, and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of this Claims Identification Order (each, a "**Restructuring Claim**", and collectively, the "**Restructuring Claims**"); or

(iii) any right or claim of any Person against any of the Directors or Officers of the Debtor, in connection with any indebtedness, liability or obligation of any kind whatsoever and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory in nature including any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors or Officers of the Debtor with respect to any matter, action, cause or chose in action, however arising, for which any Director or Officer of the Debtor is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer of the Debtor (each, a "**D&O Claim**", and collectively, the "**D&O Claims**"); or

(iv) a D&O Indemnity Claim (as defined below),

provided however, that "**Claim**" shall not include an Excluded Claim.

(g) "**Claims Bar Date**" means 5:00 p.m. (prevailing Eastern Time) on June 30, 2025 for Pre-Filing Claims and D&O Claims.

(h) "**Claims Identification Process**" means the Claims Identification Process set out in the Claims Identification Order.

(i) "**Claims Identification Order**" means this Claims Identification Order.

(j) "**Court**" means the Ontario Superior Court of Justice (Commercial List).

(k) "**Creditor**" means any Person with a Claim against the Debtor and includes Litigation Claimants.

(l) "**CRO**" means Mr. Maxim Lojevsky, in his capacity as Court-appointed Chief Restructuring Officer of the Debtor.

(m) "**Directors and Officers**" means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or officer or *de facto* director or officer of any of the Debtor.

(n) "**Document Package**" means a document package that includes a copy of the Notice to Creditors, Instruction Letter and Proof of Claim, and such other materials as the Monitor may consider appropriate or desirable.

(o) "**D&O Claim**" has the meaning ascribed to that term in paragraph 3(f)(iii) of this Claims Identification Order.

(p) "**D&O Indemnity Claim**" means any existing or future right of any Director or Officer against one or more of the Debtor which arose or arises as a result of any Person filing a Proof of Claim (as defined below) in respect of such Director or Officer for which such Director or Officer is entitled to be indemnified by one or more of the Debtor.

(q) "**Excluded Claim**" means the following Claims against the Debtor (or any one of them) or any Directors and Officers, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, including any interest accrued thereon or costs incurred in respect thereof:

(i) any Claim of any Secured Creditor in respect of its Secured Debt; or

(ii) any Claim entitled to the benefit of an existing or future Court-ordered priority charge ordered by the Court, including the Charges.

(r) "**Filing Date**" means May 22, 2025.

(s) "**Initial Order**" means the Amended and Restated Initial Order dated May 29, 2025, (as may be further supplemented, amended or varied from time to time).

(t) "**Instruction Letter**" means the guide to this Claims Identification Process, in substantially the form attached as Schedule "B" hereto.

(u) "**Known Creditors**" means:

(i) any Person, which, to the knowledge of the Debtor and the Monitor, based on the Debtor's books and records, was owed monies by the Debtor as of the Filing Date and which monies remain unpaid in whole or in part; and

(ii) any Person who, to the knowledge of the Debtor and the Monitor, commenced a legal or any other proceeding against the Debtor, which legal proceeding was commenced and served upon the Debtor prior to the Filing Date.

(v) "**Litigation**" means *Levelen Corp., Leonid Pekker, and Vera Pekker (Applicants)* and *The Second Cup Coffee Company Inc., Alexey Golubovich, Larissa Khomutova, Maxim Lojevsky, Demetrios Ragas also known as Jim Ragas, Constantinos Ragas, Park Investors LLC, Arbat Capital Group Ltd., and Svetlana Bortsova (Respondents)* (Court File No. CV-24-00727683-00CL)

(w) "**Litigation Claims**" means the Litigation and all Pre-Filing Claims which are raised in, or could have been raised in the Litigation (in fresh proceedings before any court of competent jurisdiction) as of the Filing Date.

(x) "**Litigation Claimant**" means any Person asserting claim in the Litigation, whether by direct claim, counterclaim, or cross-claim. For certainty, a Litigation Claimant is a Creditor for the purposes of this Claims Identification Order.

(y) "**Notice to Creditors**" means the Notice to Creditors for publication in substantially the form attached as Schedule "A" hereto.

(z) "**Notice of Dispute of Revision or Disallowance**" means the notice, substantially in the form attached as Schedule "E" hereto, which may be delivered to the Monitor by a Creditor disputing a Notice of Revision or Disallowance received by such Creditor.

(aa) "**Notice of Revision or Disallowance"** means the notice, substantially in the form attached as Schedule "D" hereto, which may be prepared by the Debtor, in consultation with the Monitor, and delivered by the Monitor to a Creditor revising or disallowing, in part or in whole, a Claim submitted by such Creditor in a Proof of Claim.

(bb) "**Person**" is to be interpreted broadly and includes any individual, firm, general or limited partnership, joint venture, trust, corporation, limited or unlimited liability company, unincorporated organization, association, trust, collective bargaining agent, joint venture, federal or provincial government body, agency or ministry, regulatory body, officer or instrumentality thereof, or any juridical entity, wherever situate or domiciled, and whether or not having legal status, howsoever designated or constituted, and whether acting on their own or in a representative capacity.

(cc) "**Pre-Filing Claim**" has the meaning ascribed to that term in paragraph 3(f)(i) of this Claims Identification Order.

(dd) "**Proof of Claim**" means the proof of claim to be completed and filed with the Monitor by a Person setting forth a Claim and which shall include all supporting documentation in respect of such Claim, substantially in the form attached hereto as Schedule "C".

(ee) "**Restructuring Claim**" has the meaning ascribed to that term in paragraph 3(f)(ii)of this Claims Identification Order.

(ff) "**Restructuring Claims Bar Date**" means, in respect of each Restructuring Claim and each Person having a Restructuring Claim, 5:00 p.m. (prevailing Eastern Time) on the *later of*: (i) the Claims Bar Date; and (ii) the date that is 15 days after the date on which the Monitor sends a Document Package to the Creditor with respect to a Restructuring Claim that arose after the Filing Date.

(gg) **"Secured Creditor"** means the Bank of Montreal ("**BMO**").

(hh) **"Secured Debt"** means all indebtedness owing to the BMO.

(ii) **"Status"** means, with respect to a Claim, whether such claim is an unsecured Claim, Secured Claim, or Equity Claim.

(jj) "**Website**" means the Monitor's website at http://www.doanegrantthornton.ca/SecondCup.

4. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean

prior to 5:00 p.m. on such Business Day, unless otherwise indicated herein.

5. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation".

6. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes all genders.

MONITOR'S ROLE

7. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, is hereby directed and empowered to take all such other actions and fulfill such other roles as are authorized by this Claims Identification Order or are incidental thereto, and that in taking such other actions and in fulfilling such other roles, the Monitor shall have the protections given to it in the Initial Order, this Claims Identification Order, including the protections provided in paragraph 40 of this Claims Identification Order or any other order of the Court in these CCAA Proceedings, or as an officer of the Court, including the stay of proceedings in its favour.

NOTICE TO CREDITORS

8. **THIS COURT ORDERS** that the Debtor shall provide to the Monitor a complete list of Known Creditors as at the date of this Claims Identification Order, showing for each Known Creditor, their name, address and amount owed pursuant to the Debtor's books and records. For those Known Creditors whose Claims are not liquidated, the Debtor shall provide a value of $1.

9. **THIS COURT ORDERS** that the Monitor shall send the Document Package by ordinary mail or email to the last known mailing address or email address of each Known Creditor within five (5) Business Days following the issuance of the Claims Identification Order.

10. **THIS COURT ORDERS** that with respect to Restructuring Claims arising after the date of this Claims Identification Order, the Monitor shall, no later than five (5) Business Days following the effective date of the termination, repudiation or disclaimer of a lease, contract or

other agreement or obligation, send to the counterparty(ies) of such agreement or obligation a Document Package by email or regular mail if the email address is not known.

11. **THIS COURT ORDERS** that as soon as practicable, the Monitor shall cause the Notice to Creditors to be published, for at least one (1) Business Day, in the Globe and Mail (National Edition).

12. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Creditors, the Document Package and the Claims Identification Order to be posted to the Website as soon as reasonably possible and cause it to remain posted thereon until its discharge as Monitor of the Debtor.

13. **THIS COURT ORDERS** that to the extent that any Person requests documents relating to the Claims Identification Process prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, the Monitor shall forthwith cause a Document Package to be sent to such Person by email or direct the Person to the documents posted on the Website, and otherwise respond to any request relating to the Claims Identification Process as may be appropriate in the circumstances.

CLAIMS BAR DATES

14. **THIS COURT ORDERS** that all Proofs of Claim with respect to: (a) Pre-Filing Claims, shall be filed with the Monitor on or before the Claims Bar Date; (b) Restructuring Claims, shall be filed with the Monitor on or before the Restructuring Claims Bar Date; and, (c) D&O Claims, shall be filed with the Monitor on or before the Claims Bar Date, except to the extent that the D&O Claim relates to a Restructuring Claim, in which case such D&O Claim shall be filed with the Monitor on or before the applicable Restructuring Claims Bar Date.

15. **THIS COURT ORDERS** that, subject to any Claims deemed to be Proven Claims pursuant to paragraph 26 of this Claims Identification Order, any Creditor that does not file a Proof of Claim as provided for herein such that such Proof of Claim is received by the Monitor on or before the applicable Claims Bar Date or Restructuring Claims Bar Date: (a) shall be, and is hereby forever barred, estopped, and enjoined from making or enforcing such Claim against the Debtor or the Directors or Officers, or any of them, the Debtor and or the Directors or

Officers shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Debtor and or the Monitor; and (b) shall not be entitled to any further notice thereof, and shall not be entitled to participate as a Creditor in these proceedings.

PROOFS OF CLAIM

16. **THIS COURT ORDERS** that each Creditor, including Litigation Claimants, shall file a Proof of Claim against the Debtor and shall include any and all Claims it asserts against the Debtor in a single Proof of Claim.

17. **THIS COURT ORDERS** that if a Creditor is asserting a Claim against the Debtor and against the Directors or Officers of the Debtor, all such Claims shall be included in the same Proof of Claim.

18. **THIS COURT ORDERS** that where a Claim against the Debtor is based on the Debtor's guarantee of the repayment of a debt of any other Person, the Proof of Claim in respect of such Claim shall clearly state that it is based on such a guarantee.

19. **THIS COURT ORDERS** that if any Claim arose in a currency other than Canadian dollars, then the Creditor making the Claim shall complete its Proof of Claim indicating the amount of the Claim in such currency. The Monitor shall subsequently convert any Claim filed in a foreign currency to Canadian dollars at the Bank of Canada exchange rate on the Filing Date.

20. **THIS COURT ORDERS** that the Monitor shall supervise the receipt and collection of the Proofs of Claim and, in conjunction with the Debtor (and any Director and/or Officer against whom a D&O Claim is asserted), shall, subject to further order of the Court, review each Proof of Claim submitted by the Claims Bar Date or the Restructuring Claims Bar Date, as applicable. The Monitor shall, upon request, provide the Debtor's counsel with copies of all Proofs of Claim and any other documents delivered to the Monitor pursuant to the Claims Identification Process.

NOTICE SUFFICIENT

21. **THIS COURT ORDERS** that each of the:

(a) Notice to Creditors attached as Schedule "A";

(b) Instruction Letter attached as Schedule "B";

(c) Proof of Claim form attached as Schedule "C";

(d) Notice of Revision or Disallowance attached as Schedule "D"; and

(e) Notice of Dispute of Revision or Disallowance attached as Schedule "E"

are hereby approved in substantially the forms attached. Despite the foregoing, the Monitor may, from time to time, and with the consent of the Debtor, make minor changes to such forms as the Monitor considers necessary or desirable.

22. **THIS COURT ORDERS** that publication of the Notice to Creditors on the Website and in the Globe and Mail (National Edition), posting of the Document Package on the Website, the sending of the Document Package to the Known Creditors in accordance with this Claims Identification Order, and completion of the other requirements of this Claims Identification Order shall constitute good and sufficient service and delivery of notice of a Creditor's Claim, this Claims Identification Order, the Claims Identification Process, the Claims Bar Date, and the Restructuring Claims Bar Date on all Persons who may be entitled to receive notice, and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Claims Identification Order or the Claims Identification Process.

23. **THIS COURT ORDERS** that the Monitor, in consultation with the Debtor and the applicable Director or Officer in respect of any D&O Claim, is hereby authorized (a) to use its reasonable discretion as to the adequacy of compliance with respect to the manner and timing in which forms delivered hereunder are completed and executed, and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Identification Order as to completion and execution of such forms and (b) to request any further documentation from a Claimant that the Debtor or the Monitor may reasonably require in order to determine the validity and/or status of a Claim. Notwithstanding any other provision of this Claims Identification Order, any Claim filed with the Monitor after the applicable Claims Bar

Date or Restructuring Claims Bar Date may, in the reasonable discretion of the Monitor or subject to further Order of the Court, be deemed to have been filed on or before the applicable Claims Bar Date or Restructuring Claims Bar Date, and, subject to further Order of this Court, may be reviewed by the Monitor.

D&O INDEMNITY CLAIM

24. **THIS COURT ORDERS** that to the extent any D&O Claim is filed in accordance with this Claims Identification Order, a corresponding D&O Indemnity Claim shall be automatically and immediately deemed to have been filed in respect of such D&O Claim.

ADJUDICATION AND RESOLUTION PROCESS FOR CLAIMS

25. **THIS COURT ORDERS** that the Monitor, in consultation with the Debtor (and in the case of a D&O Claim, in consultation with the applicable Director and/or Officer) shall review all Proofs of Claim filed in accordance with this Claims Identification Order and at any time may (a) request additional information from a Creditor; (b) request that a Creditor file a revised Proof of Claim; (c) attempt to resolve and settle any issue arising in a Proof of Claim or in respect of a Claim; (d) accept (in whole or in part) the amount and/or Status of any Claim and so notify the Creditor in writing; and (e) revise or disallow (in whole or in part) the amount and/or Status of any Claim and so notify the Creditor in writing.

26. **THIS COURT ORDERS** that where a Claim has been accepted by the Monitor in accordance with this Claims Identification Order, such Claim shall constitute such Creditor's "**Proven Claim**". The acceptance of any Claim or other determination of same in accordance with this Claims Identification Order, in full or in part, shall not constitute an admission of any fact, thing, liability, or quantum or Status of any claim by any Person, save and except in the context of this CCAA proceedings and, in respect of Litigation Claims, the Litigation.

27. **THIS COURT ORDERS** that where a Claim is revised or disallowed (in whole or in part, and whether as to amount and/or Status), the Monitor shall deliver to the Creditor a Notice of Revision or Disallowance, attaching the form of Notice of Dispute to such Revision or Disallowance.

28. **THIS COURT ORDERS** that any Person who intends to dispute a Notice of Revision or Disallowance sent pursuant to paragraph 27 hereof shall deliver a Notice of Dispute of Revision or Disallowance to the Monitor, by 5:00 p.m. (Eastern Time) on the day that is not later than fourteen (14) days after the Business Day on which the Notice of Revision or Disallowance was sent, or such longer period as may be agreed to by the Monitor in writing. The receipt of a Notice of Dispute of Revision or Disallowance by the Monitor within the fourteen (14) day period specific in this paragraph shall constitute an application to have the amount and/or Status of such claim determined pursuant to the Claims Identification Process as provided in this Claims Identification Order.

29. **THIS COURT ORDERS** that if any Person who received a Notice of Revision or Disallowance does not return a Notice of Dispute of Revision or Disallowance in accordance with paragraph 28 of this Claims Identification Order, the value and Status of such Claim shall be deemed to be set out in the Notice of Revision or Disallowance for voting and distribution purposes, and the Creditor will be barred from disputing or appealing same, and the balance of such Creditor's Claim, if any, shall be forever barred and extinguished.

30. **THIS COURT ORDERS** that as soon as practicable after a Notice of Dispute of Revision or Disallowance is received by the Monitor in accordance with this Claims Identification Order, the Monitor, in consultation with the Debtor, may attempt to resolve and settle the Claim with the Creditor.

31. **THIS COURT ORDERS** that in the event that a dispute raised in a Notice of Dispute of Revision or Disallowance is not settled within a reasonable time period or in a manner satisfactory to the Monitor, the Monitor may, at its sole discretion, refer the dispute to a claims officer ("**Claims Officer**") for determination. The Claims Officer shall be chosen by the Monitor in its sole direction, subject to the following qualifications: the Claims Officer shall be (i) a former judge of the Court (ii) a member of the Chartered Institute of Arbitrators holding either the FCIArb or C.Arb designation.

32. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, the Monitor may, at its sole discretion, discontinue the adjudication process in respect of any Claim following the delivery by a Claimant of a Notice of Dispute of Revision or Disallowance and deem such

Claim as entirely unaffected by this Claim Identification Process if the Monitor deems doing so to be in the best interest of the Debtor and its stakeholders.

33. **THIS COURT ORDERS** that the Debtor shall pay the reasonable professional fees and disbursements of the Claims Officer on presentation and acceptance of invoices from time to time. The Claims Officer shall be entitled to a reasonable retainer against his fees and disbursements, which shall be paid upon request by the Debtor with the consent of the Monitor.

34. **THIS COURT ORDERS** that, subject to further order of the Court, the Claims Officer shall determine the Status and/or amount of each Claim in respect of which a dispute has been referred to such Claims Officer and in doing so, the Claims Officer shall be empowered to determine (a) all timetable and other procedural matters which may arise in respect of the determination of any Claim; (b) the process by which evidence will be brought before them; (c) interlocutory motions, if any; and (d) costs, if any, between the parties of any hearing before the Claims Officer.

35. **THIS COURT ORDERS** that if a Litigation Claim is referred to the Claims Officer, the relevant parties are directed to consult with the Claims Officer, forthwith after the Litigation Claim is referred to the Claims Officer, for the purposes of establishing a litigation timetable.

36. **THIS COURT ORDERS** that the Monitor or the Creditor may appeal the Claims Officer's determination to this Court by serving upon the other and filing with this Court, within ten (10) calendar days of notification of the Claims Officer's determination of such Creditor's Claim, a notice of motion returnable on a date to be fixed by this Court. If a notice of motion is not filed within such period, then the Claims Officer's determination shall be deemed to be final and binding and shall be such Creditor's Proven Claim.

NOTICE OF TRANSFEREES

37. **THIS COURT ORDERS** that neither the Debtor nor the Monitor shall be obligated to give notice to or to otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof unless and until (a) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Monitor, and (b) the Monitor shall have acknowledged in writing such transfer or assignment, and

thereafter such transferee or assignee shall, for the purposes hereof, constitute the “Creditor” in respect of such Claim. Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Identification Order prior to the written acknowledgement by the Monitor of such transfer or assignment.

38. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Applicant and the Monitor shall in each such case not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with paragraph 37 of this Claims Identification Order and the Monitor has acknowledged in writing such transfer or assignment, the Person last holding such Claim in whole as the Creditor in respect of such Claim may by notice in writing to the Monitor direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim, by or with respect to such Person in accordance with this Claims Identification Order.

39. **THIS COURT ORDERS** that the transferee or assignee of any Claim (a) shall take the Claim subject to the rights and obligations of the transferor/assignor of the Claim, and subject to the rights of the Debtor against any such transferor or assignor, including any rights of set-off which the Debtor had against such transferor or assignor, and (b) cannot use any transferred or assigned Claim to reduce any amount owing by the transferee or assignee to the Debtor, whether by way of set off, application, merger, consolidation or otherwise.

PROTECTIONS FOR MONITOR

40. **THIS COURT ORDERS** that: (a) in carrying out the terms of this Claims Identification Order,

the Monitor shall have all of the protections given to it by the CCAA and the Initial Order or as an officer of this Court, including the stay of proceedings in its favour; (b) the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Claims Identification Order, except to the extent that the Monitor has acted with gross negligence or willful misconduct; (c) the Monitor shall be entitled to rely on the Books and Records of the Debtor and any information provided by the Debtor, all without independent investigation; (d) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information; and (d) the Monitor may seek assistance from the Debtor or its advisors as may be reasonably required to carry out its duties and obligations pursuant to this Claims Identification Order, including making such inquiries and obtaining such records and information as it deems appropriate in connection with the Claims Identification Process.

DIRECTIONS

41. **THIS COURT ORDERS** that the Debtor or the Monitor may, at any time, and with such notice as this Court may require, seek directions from the Court with respect to this Claims Identification Order and the Claims Identification Process set out herein, including the forms attached as Schedules hereto.

SERVICE AND NOTICE

42. **THIS COURT ORDERS** that the Monitor or the Debtor, as the case may be, are at liberty to deliver the Document Package, and any letters, notices or other documents to Creditors or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by prepaid ordinary mail, on the third Business Day after mailing.

43. **THIS COURT ORDERS** that any notice or other communication (including Proofs of Claim) to be given under this Claims Identification Order by a Creditor to the Monitor shall be in writing in substantially the form, if any, provided for in this Claims Identification Order and

will be sufficiently given only if given by electronic or digital transmission, prepaid ordinary mail, courier, or personal delivery addressed to:

Grant Thornton Limited -
The Court Appointed Monitor of The Second Cup Coffee Company
200 King Street West, 11th Floor
Toronto, Ontario, Canada
M5H 3T4

Email: **claimsubmission@ca.gt.com**

44. **THIS COURT ORDERS** that any such notice or other communication by a Creditor to the Monitor shall be deemed received only upon actual receipt thereof, provided that any notice or communication by a Creditor to the Monitor that is received by the Monitor on a non-Business Day or after 5:00 p.m. (prevailing Eastern Time) shall be deemed to have been received on the next Business Day.

MISCELLANEOUS

45. **THIS COURT ORDERS** that notwithstanding any other provision of this Claims Identification Order, the solicitation of Proofs of Claim, and the filing by a Person of any Proof of Claim, shall not, for that reason only, grant any Person any standing in the CCAA proceedings.

46. **THIS COURT ORDERS** that notwithstanding the terms of this Claims Identification Order, and without limitation to paragraph 40 of this Claims Identification Order, the Monitor may apply to this Court from time to time for directions from this Court with respect to this Claims Identification Order, or for such further order or orders as any of them may consider necessary or desirable to amend, supplement or clarify the terms of this Claims Identification Order.

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

48. **THIS COURT ORDERS THAT** if, during any period in which notices or other

communications are being given pursuant to this Claims Identification Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Claims Identification Order.

49. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA) and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Claims Identification Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor and the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Claims Identification Order or to assist the Debtor and the Monitor and their respective agents in carrying out the terms of this Claims Identification Order.

50. **THIS COURT ORDERS** that this Claims Identification Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Claims Identification Order, and is enforceable without any need for entry and filing.

SCHEDULE "A" – NOTICE TO CREDITORS

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

NOTICE LETTER FOR THE CLAIMS IDENTIFICATION PROCESS
THE SECOND CUP COFFEE COMPANY INC.

RE: NOTICE OF CLAIMS IDENTIFICATION PROCESS, PRE-FILING CLAIMS BAR DATE AND RESTRUCTURING CLAIMS BAR DATE

This notice is being published pursuant to an Order of the Superior Court of Justice (Commercial List) in Ontario dated May 29, 2025 (the "**Claims Identification Order**") in proceedings under the *Companies' Creditors Arrange Act,* R.S.C., 1985 c. C-36, as amended, with respect to The Second Cup Coffee Company Inc. (the "**Debtor**").

Pursuant to the Initial Order dated May 22, 2025, Grant Thornton Limited was appointed as monitor of the Debtor (on such capacity, the "**Monitor**"), and pursuant to the claims identification process (the "**Claims Identification Process**") with respect to claims against the Debtor and its present and former Directors and Officers (the "**Directors/Officers**"). Additionally, the Monitor is required to send Claims Packages to, among other, the Debtor's Known Claimants. All capitalized terms not defined herein shall have the meanings ascribed to them in the Claims Identification Order.

The Claims Identification Order, the Claims Package, a Proof of Claim form and related materials may be accessed from the Monitor's Website at https://www.doanegrantthornton.ca/SecondCup.

All persons wishing to assert a claim (other than an Excluded Claim) against the Debtor or its Directors/Officers **MUST** file a Proof of Claim with the Monitor.

The claims bar date is 5:00 p.m. (Toronto Time) on June 30, 2025 (the "**Claims Bar Date"**). Proofs of Claim must be completed and filed with the Monitor on or before the Claims Bar Date.

The Restructuring Claims Bar Date is 5:00 p.m. (Toronto Time) on the date that is the later of (i) the Claims Bar Date and (ii) the date that is 15 days after the date on which the Monitor sends a Documents Package to the Creditor with respect to such Restructuring Claim. Proofs of Claim in respect of Restructuring Claims must be completed and filed with the Monitor using the procedures required in the Claims Identification Order so that they are received by the Monitor on or before the Restructuring Claims Bar Date.

PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Identification Process but do not file a Proof of Claim in respect of a Claim by the Bar Date, or a Proof of Claim is not filed on your behalf you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan, if any, or otherwise in respect of such Claims.

Reference should be made to the Claims Identification Order for the complete definitions of "**Claim**", "**Pre-Filing Claim**", and "**D&O Claim**" to which the Claims Identification Process applies.

The Monitor can be contacted at the following address to request a Claims Package or for any other notices of enquiries with respect to the Claims Identification Process.

Grant Thornton Limited -
The Court Appointed Monitor of The Second Cup Coffee Company
200 King Street West, 11th Floor
Toronto, Ontario, Canada
M5H 3T4

Email: claimsubmission@ca.gt.com

DATED at Toronto, Ontario, this 29th day of May, 2025.

Grant Thornton Limited,
solely in its capacity as Monitor of The
Second Cup Coffee Company Inc., and
not in its personal capacity.

SCHEDULE "B" - INSTRUCTION LETTER FOR CLAIMS IDENTIFICATION PROCESS

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

INSTRUCTION LETTER FOR THE CLAIMS IDENTIFICATION PROCESS

THE SECOND CUP COFFEE COMPANY INC.

I. CLAIMS IDENTIFICATION PROCESS

By Order of the Superior Court of Justice (Commercial List) in Ontario dated May 29, 2025 (the "**Claims Identification Order**"), Grant Thornton Limited, in its capacity as the Court - appointed monitor (in such capacity, the "**Monitor**") of The Second Cup Coffee Company Inc. ("**Second Cup**" or the "**Debtor**"), has been authorized to assist the Debtor in conducting a claims identification process (the "**Claims Identification Process**") with respect to claims against the Debtor and the present or former Directors and Officers ("**Directors/Officers**"). The Claims Identification Order governs the filing and identification of all Claims against Second Cup and its Directors/Officers.

Unless otherwise defined, all capitalized terms used herein shall have the meanings ascribed to them in the Claims Identification Order.

The Claims Identification Order, the Claims Package, a Proof of Claim form and related materials may be accessed from the Monitor's Website at https://www.doanegrantthornton.ca/SecondCup.

This letter provides instructions for completing the Proof of Claim. Reference should be made to the Claims Identification Order for a complete description of the Claims Identification Process.

The Claims Identification Process is intended for any Person with any Claims, other than Excluded Claims, of any kind or nature whatsoever against the Debtor the Directors/Officers or any of them, whether liquidated, unliquidated, contingent or otherwise. Please review the enclosed material for the complete definitions of "**Claim**", "**Pre-Filing Claim**" "**Restructuring Claim**" and "**D&O Claim**" to which the Claims Identification Process applies.

All notices and enquiries with respect to the Identification Process should be addressed to:

Grant Thornton Limited -
The Court Appointed Monitor of The Second Cup Coffee Company
200 King Street West, 11th Floor
Toronto, Ontario, Canada
M5H 3T4

Email: Michael.Dellaire@doane.gt.ca

II. FOR CLAIMANTS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim (other than an Excluded Claim), you MUST file a Proof of Claim with the Monitor.

All Proofs of Claim for Pre-Filing Claims (including D&O Claims), which for greater certainty are Claims against the Debtor arising prior to the Filing Date of May 22, 2025, and (ii) D&O Claims, must be received by the Monitor before 5:00 p.m. (Toronto Time) on June 30, 2025 (the "**Claims Bar Date**"). All Proofs of Claim for Restructuring Claims must be received by is 5:00 p.m. (Toronto Time) on the date that is the later of (i) the Claims Bar Date and (ii) the date that is 15 days after the date on which the Monitor sends a Documents Package to the Creditor with respect to such Restructuring Claim.

PROOFS OF CLAIM MUST BE RECEIVED BY THE CLAIMS BAR DATE OR THE APPLICABLE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Identification Process but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or a Proof of Claim is not filed on your behalf, you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan or otherwise in respect of such Claims.

All Claims denominated in foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate in effect on May 29, 2025, the date of granting the Claims Identification Order.

Additional Proofs of Claim forms can be accessed from the Monitor's website at www.doanegrantthornton.ca/SecondCup.

DATED at Toronto, Ontario, this 29th day of May, 2025.

Grant Thornton Limited,
solely in its capacity as Monitor of The
Second Cup Coffee Company Inc., and
not in its personal capacity.

SCHEDULE "C" - PROOF OF CLAIM FORM

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

PROOF OF CLAIM

THE SECOND CUP COFFEE COMPANY INC.
(the "Debtor")

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim. All capitalized terms not defined herein have the meanings ascribed to them in the Claims Identification Order dated May 29, 2025.

I. PARTICULARS OF CLAIMANT:

1. Full Legal Name of Claimant:

____
(the "Claimant")

2. Full Mailing Address of the Claimant:

____

____

____

3. Telephone Number: ________________________________

4. E-Mail Address: ________________________________

5. Facsimile Number: ________________________________

6. Attention (Contact Person): ________________________________

7. Have you acquired this Claim by assignment?

   Yes; □ No: □ (if yes, attach documents evidencing assignment) If Yes,

   Full Legal Name of Original Claimant(s):

II. PROOF OF CLAIM:

1. I,

____

(name of Claimant or Representative of the Claimant), of ________________________________

____do hereby certify:
(city and province)

(a) that I [check (□) one]

□ am the Claimant; OR

□ am ____ (state position or title) of

____

(name of Claimant)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) that complete documentation in support of the Claim referred to below is attached; and

(d) that the Debtor and/or one or more of the Directors or Officers of the Debtor were and still are indebted to the Claimants as follows:[1]

[1] Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada daily average exchange rate in effect on May 22, 2025.

Debtor	Claim Amount	Whether Claim is Secured, Restructuring, Unsecured, or Unsecured	Value of Security Held, if any:
The Second Cup Coffee Company Inc.			
Directors and Officers of The Second Cup Coffee Company Inc. ______ (insert names above)			

____

III. PARTICULARS OF CLAIM

The particulars of the undersigned's total Claim (including D&O Claims) are attached.

(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) or legal breach(es) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. If a Claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against each of them.)

IV. FILING OF CLAIM

For Pre-Filing Claims (including D&O Claims), this Proof of Claim MUST be received by the Monitor before 5:00 p.m. (Toronto Time) on June 30, 2025 (the "Claims Bar Date").

For Restructuring Claims, this Proof of Claim MUST be received by the Monitor before 5:00 p.m. (Toronto Time) on the date that is the later of (i) the Claims Bar Date and (ii) the date that is 15 days after the date on which the Monitor sends a Documents Package to the Creditor with respect to such Restructuring Claim.

In either case, completed forms must be delivered by prepaid ordinary mail, registered mail, courier, personal delivery or email addressed:

Grant Thornton Limited -
The Court Appointed Monitor of The Second Cup Coffee Company
200 King Street West, 11th Floor
Toronto, Ontario, Canada
M5H 3T4

Email: claimsubmission@ca.gt.com

Failure to file your Proof of Claim as directed by the Claims Bar Date or Restructuring Claims Bar Date, as applicable, will result in your Claim being extinguished and forever barred and in you being prevented from making or enforcing a Claim against the Debtor or any of its present or former Directors and Officers.

DATED at ______________________________ this _______ day of ______________, 2025.

____

Signature of Claimant

SCHEDULE "D" - NOTICE OF REVISION OR DISALLOWANCE

For persons who have asserted Claims against the Debtor and/or D&O Claims against the Directors and/or Officers of the Debtor

TO: [**INSERT NAME AND ADDRESS OF CLAIMANT**] (the "**Claimant**")

RE: Claim Reference Number: ______________________________

Capitalized terms used but not defined in the Notice of Revision or Disallowance shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Debtor dated **May 29, 2025** (the "**Claims Identification Order**"). You can obtain a copy of the Claims Identification Order on the Monitor's Website at: http://www.doanegrantthornton.ca/SecondCup

Pursuant to the Claims Identification Order, the Monitor hereby gives you notice that the Monitor, in consultation with the Debtor, have reviewed your Proof of Claim or D&O Proof of Claim and have revised or disallowed all or part of your purported Claim set out therein for voting and/or distribution purposes. Subject to further dispute by you in accordance with the Claims Identification Order, your Claim will be as follows:

Prefiling Claims

	Amount as Submitted		**Amount allowed by the Monitor for voting purposes:**	**Amount allowed by the Monitor for distribution purposes:**
	Currency			
A. Unsecured		$	$	$
B. Priority		$	$	$
C. D&O Claim		$	$	$
D. Total Claim		$	$	$

Restructuring Claims

	Amount as Submitted		**Amount allowed by the Debtor's for voting purposes:**	**Amount allowed by the Debtor for distribution purposes:**
	Currency			
A. Unsecured		$	$	$
B. Priority		$	$	$
C. D&O Claim		$	$	$
D. Total Claim		$	$	$

Reasons for Revision or Disallowance:

____

____

____

____

SERVICE OF DISPUTE NOTICES

If you intend to dispute your Claim specified in this Notice of Revision or Disallowance for voting and/or distribution purposes, you must, by no later than 5:00 p.m. (Toronto time) on the day that is **fourteen (14) days after this Notice of Revision or Disallowance is deemed to have been received by you** (in accordance with paragraph 28 of the Claims Identification Order), deliver a Notice of Dispute of Revision or Disallowance to the Monitor (by prepaid ordinary mail, registered mail, courier, personal delivery or email) at the address listed below.

If you do not dispute this Notice of Revision or Disallowance in the prescribed manner and within the aforesaid time period, your Claim shall be deemed to be as set out herein.

If you agree with this Notice of Revision or Disallowance, there is no need to file anything further with the Monitor.
The address of the Monitor is set our below:

> **Grant Thornton Limited -**
> **The Court Appointed Monitor of The Second Cup Coffee Company**
> 200 King Street West, 11th Floor
> Toronto, Ontario, Canada
> M5H 3T4
>
> **Email: claimsubmission@ca.gt.com**

In accordance with the Claims Identification Order, notices shall be deemed received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Bay
The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at http://www.doanegrantthornton.ca/SecondCup

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF REVISIONS OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this ● day of ●, 2025

GRANT THORNTON LIMITED, solely in its capacity as Court Appointed Monitor of The Second Cup Coffee Company Inc, and not in its personal or corporate capacity

Per: ______________________________

SCHEDULE “E” - NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE

With respect to Claims against the Debtor and/or D&O Claims against the Directors and/or Officers of the Debtor

Capitalized terms used but not defined in the Notice of Revision or Disallowance shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Debtor dated **May 29, 2025** (the “Claims Identification Order”). You can obtain a copy of the Claims Identification Order on the Monitor’s website at: http://www.doanegrantthornton.ca/SecondCup

1. Particulars of the Holder of the Claim:

Claims Reference Number: ____________________________

Full Legal Name of Claimant (include trade name, if different)

____

____

(the “**Claimant**”)

Full Mailing Address of the Claimant:

____

____

Other Contact Information of the Claimant:

Telephone Number: ____
Email Address: ____
Facsimile Number: ____
Attention (Contact Person): ____

2. Particulars of original Claimant from whom you acquired the Claim or D&O Claim (if applicable):

Have you acquired this Claim by assignment?[2]

Yes: [ ] No: [ ]

If yes, and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): ______________________________________

3. Dispute of Revision or Disallowance of Claim:

The Claimant hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance dated ______________________, and asserts a Claim as follows:

Prefiling Claims

	Currency		**Amount allowed by the Monitor in the Notice of Revision or Disallowance for voting/distribution purposes:**	**Amount claimed by Claimant for voting/distribution purposes:**
A. Unsecured				
Voting			$	$
Distribution			$	$
B. Priority				
Voting			$	$
Distribution			$	$
C. D&O Claim				
Voting			$	$
Distribution			$	$
D. Total Claim				
Voting			$	$
Distribution			$	$

[2] Only select 'Yes' if you have been transferred the Claim being referenced herein from another Person.

Restructuring Claims

	Currency		Amount allowed by the Monitor in the Notice of Revision or Disallowance for voting/distribution purposes:	Amount claimed by Claimant for voting/distribution purposes:
A. Unsecured				
Voting			$	$
Distribution			$	$
B. Priority				
Voting			$	$
Distribution			$	$
C. D&O Claim				
Voting			$	$
Distribution			$	$
D. Total Claim				
Voting			$	$
Distribution			$	$

(Insert particulars of your Claim per the Notice of Revision or Disallowance, and the value of your Claim as asserted by you).

4. **Reasons for Dispute:**

Provide full particulars of why you dispute the revision or disallowance of your Claim as set out in the Notice of Revision or Disallowance, and provide all supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, and amount of Claim allocated thereto, date and number of all invoices, particular of all credits, discounts, etc. claimed, as well as a description of the security, if any, granted to the Claimant and the estimated value of such security. The particulars provided must support the value of the Claim as stated by you in item 3, above.

____

____

____

____

____

____

5. Certification

I hereby certify that:

I am the Claimant or an authorized representative of the Claimant.
I have knowledge of all the circumstances connected with this Claim.
The Claimant submits this Notice of Dispute of Revision or Disallowance in respect of the Claim referenced above.
All available documentation in support of the Claimant's dispute is attached.

All information submitted in this Notice of Dispute of Revision or Disallowance must be true, accurate, and complete. Filing false information relating to your Claim may result in your Claim being disallowed in whole or in part and may result in further penalties.

Witness:

Signature: ____________________________ ____________________________________
(signature)

Name: ____________________________
(print)

Title: ____________________________

Dated at ________________ this_________ day of__________, 2025.

This Notice of Dispute of Revision or Disallowance MUST be returned to and received by the Monitor at the below address **by no later than 5:00 p.m. (Toronto time) on the day that is fourteen (14) days after this Notice of Revision or Disallowance is deemed to have been received by you** (in accordance with the Claims Identification Order, a copy of which can be found on the Monitor's website at http://www.doanegrantthornton.ca/SecondCup

Delivery to the Monitor may be made by ordinary prepaid mail, registered mail, courier, personal delivery or email to the address below.

Grant Thornton Limited -
The Court Appointed Monitor of The Second Cup Coffee Company
200 King Street West, 11th Floor
Toronto, Ontario, Canada
M5H 3T4

Email: claimsubmission@ca.gt.com

In accordance with the Claims Identification Order, notices shall be deemed received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at http://www.doanegrantthornton.ca/SecondCup

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, YOUR CLAIM AS SET OUT IN THE NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY INC.
Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

CLAIMS IDENTIFICATION ORDER

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

Gavin H. Finlayson LSO# 44126D
Email: gfinlayson@millerthomson.com
Tel: 416.595.8619

Larry Ellis LSO# 49313K
Email: lellis@millerthomson.com
Tel: 416.595.8639

Matthew Cressatti LSO# 77944T
Email: mcressatti@millerthomson.com
Tel: 416-597-4311

Lawyers for the Applicant

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

MOTION RECORD
(Returnable May 29, 2025)

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

Gavin H. Finlayson LSO# 44126D
Email: gfinlayson@millerthomson.com
Tel: 416.595.8619

Larry Ellis LSO# 49313K
Email: lellis@millerthomson.com
Tel: 416.595.8639

Matthew Cressatti LSO# 77944T
Email: mcressatti@millerthomson.com
Tel: 416-597-4311

Lawyers for the Applicant

Appendix C

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 21ST
	)	
MR. JUSTICE OSBORNE	)	DAY OF AUGUST, 2025

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

SISP ORDER

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

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

DEFINED TERMS

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

SERVICE

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

APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS

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

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

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

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

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

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

APPROVAL OF STALKING HORSE AGREEMENT

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

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

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

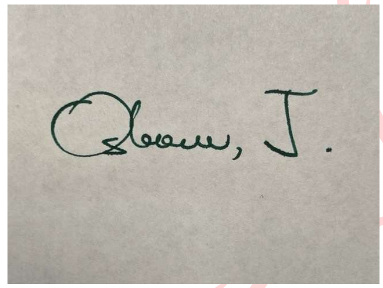
GENERAL

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

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

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

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



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

SCHEDULE “A”
SALE AND INVESTMENT SOLICITATION PROCESS

Sale and Investment Solicitation Process

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

Introduction

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

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

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

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

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

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

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

Opportunity

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

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

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

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

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

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

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

Timeline

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

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

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

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

Solicitation of Interest: Notice of the SISP

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

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

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

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

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

Potential Bidders and Due Diligence Materials

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

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

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

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

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

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

Protective Steps for Insider Involvement

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

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

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

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

SISP.

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

    a. the identities of other Potential Bidders;

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

    c. the terms of any Bid or Qualified Bid.

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

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

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

Formal Bids

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

    a. the Bid must be either a Bid to:

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

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

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

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

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

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

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

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

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

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

i. for a Sale Proposal, the Bid includes:

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

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

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

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

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

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

j. for an Investment Proposal, the Bid includes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Evaluation of Qualified Bids

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

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

Auction

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

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

Auction Procedure

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

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

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

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

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

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

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

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

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

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

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

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

Credit Bidding

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

Transaction Documents

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

Expense Reimbursement/Break Fee

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

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

Sale Approval Motion Hearing

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

Confidentiality and Access to Information

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

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

Supervision of the SISP

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

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

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

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

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

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

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

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

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

Deposits

56. The Deposit(s):

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

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

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

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

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

Additional Terms

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

Further Orders

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

Costs and Expenses

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

Schedule “1”
Address of the Monitor

To the Monitor:

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

Attention: Jason Kanji and Jesse Cooper

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

With a copy to:

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

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

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY INC.
Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

SISP ORDER

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

Gavin H. Finlayson LSO# 44126D
Email: gfinlayson@millerthomson.com
Tel: 416.595.8619

Larry Ellis LSO# 49313K
Email: lellis@millerthomson.com
Tel: 416.595.8639

Matthew Cressatti LSO# 77944T
Email: mcressatti@millerthomson.com
Tel: 416-597-4311

Lawyers for the Applicant

Appendix D

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE 21ST
	)	
JUSTICE OSBORNE	)	DAY OF AUGUST, 2025

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

ORDER
(Re: Stay Extension)

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

ON READING the Notice of Motion dated August 14, 2025, the Affidavit of Alexey Golubovich sworn August 14, 2025 (the "**Third Golubovich Affidavit**"), the report (the "**Second Report**") of Grant Thornton Limited ("**GTL**"), in its capacity as Court-ordered monitor (in such capacity, the "**Monitor**") of the Second Cup Coffee Company Inc. (the "**Debtor**"), and the Amended and Restated Initial Order dated May 29, 2025 (the "**ARIO**"), as may be further amended and restated from time to time, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, and counsel for such other parties listed on the participant information sheet, with no one else appearing for any other party although duly served as appears from the Affidavit of Service of Shallon Garrafa, sworn August 15, 2025, filed,

SERVICE

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

DEFINED TERMS

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

EXTENSION OF STAY PERIOD

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

DIP FINANCING INCREASE

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

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

GENERAL

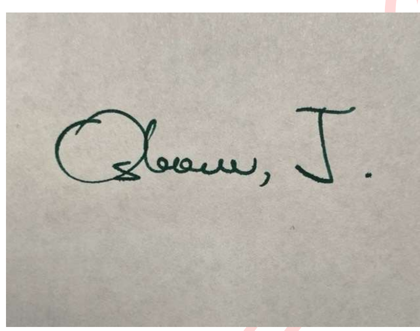
6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, to give effect

to this Order and to assist the Applicant, the Debtor, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory, and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant, the Debtor, and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant, the Debtor, and the Monitor and their respective agents in carrying out the terms of this Order.

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

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

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



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

ARBAT CAPITAL GROUP LTD.
Applicant

and

THE SECOND CUP COFFEE COMPANY INC.
Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

ORDER
(ANCILLARY RELIEF)

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

Appendix E

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

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

August 18, 2025

Doane Grant Thornton

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

TABLE OF CONTENTS

APPENDICES

INTRODUCTION

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

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

3. On May 22, 2025, Justice Cavanagh heard various submissions from counsel present and granted an initial order pursuant to the CCAA (the "**Initial Order**"). Pursuant to the Initial Order, GTL was appointed as monitor of Second Cup (in such capacity, the "**Monitor**") and Maxim Lojevsky, the current chairman of the board of directors of Second Cup (the "**Board**"), was appointed as the Chief Restructuring Officer over and in respect of the Debtor (in such capacity, the "**CRO**").

4. The Initial Order, among other things:

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

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

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

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

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

f. granted the DIP Lender a priority charge on the Property of Second Cup (the "**DIP Facility Charge**"), in the maximum amount of $200,000 plus interest, fees, and expenses pursuant to the DIP Facility Term Sheet, which DIP Facility Charge shall not secure an obligation that exists before the Initial Order was made;

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

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

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

a. extended the Stay Period to August 28, 2025;

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

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

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

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

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

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

PURPOSE OF THE SECOND REPORT

8. The purpose of this Second Report is to:

a. update the Court in respect of:

i. the Monitor's activities since the Comeback Hearing;

ii. the Claims Identification Process;

iii. status of the payments to Critical Suppliers; and

iv. the Debtor's financial position, receipts, disbursements, and cash flow projections.

b. provide the Monitor's views and recommendations regarding the Applicant's motion for:

i. an order (the "**SISP Order**") approving, among other things, a sale and investment solicitation process ("**SISP**") and the Stalking Horse Agreement (as defined in this Second Report); and

ii. an order:

i. extending the Stay Period to November 7, 2025; and

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

TERMS OF REFERENCE

9. In preparing this Second Report, the Monitor has been provided with, and has relied upon unaudited internal financial statements, certain other financial information and financial projections of the Debtor, discussions with the management and shareholders of the Debtor ("**Management**"), discussion with the Applicant's counsel, and financial information provided by other stakeholders (collectively, the "**Information**"). While the Monitor reviewed the Information for reasonableness and believes that the information herein provides a fair summary of the transactions as reflected in the documents of the Debtor, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Generally Accepted Auditing Standards.

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

11. Over the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Debtor and its Management, within the context in which such Information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that Management bring to its attention any significant matters which were not addressed during the Monitor's specific inquiries. Accordingly, this Second Report is based solely on the information (financial or otherwise) made available to the Monitor by the Applicant, the Debtor, Management, the CRO and respective counsellors involved in these CCAA Proceedings.

12. This Second Report has been prepared for the use of this Court and the Debtor's stakeholders as general information relating to the Debtor and to assist the Court in

determining whether to grant the relief sought by the Applicant. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report contrary to the provisions of this paragraph.

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

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

ACTIVITIES OF THE MONITOR SINCE THE GRANTING OF THE ARIO

15. Following the Comeback Hearing, the ARIO was issued on May 29, 2025, at approximately 1:30 PM Eastern Standard Time.

16. At such time, the Monitor's case website (www.DoaneGrantThornton.ca/SecondCup) was updated accordingly. Since the First Report, the following documents have been added to the case website:

    a. the Applicant's Motion Record dated May 27, 2025;

    b. the Applicant's Factum dated May 28, 2025;

    c. the Monitor's First Report dated May 28, 2025;

    d. the Endorsement of Justice Cavanagh dated May 29, 2025;

    e. the ARIO dated May 29, 2025;

    f. the Claims Identification Order

    g. Notice Letter for the Claims Identification Process dated May 29, 2025;

    h. Instruction Letter for the Claims Identification Process dated May 29, 2025;

    i. a blank Proof of Claim form;

j. an updated list of Creditors to include names, addresses and estimated amounts owing; and

k. an updated E-Service List.

17. As noted in the First Report, the Monitor arranged for newspaper notices pertaining to the CCAA Proceedings to be published in The Globe and Mail (National Edition) on May 27, 2025 and June 3, 2025. A copy of the tear sheet from May 27, 2025 was attached to the First Report. A copy of the tear sheet from June 3, 2025 is attached hereto as **Appendix "C"**.

18. The Monitor has maintained frequent contact with the CRO who has had continued discussions with the suppliers and franchise partners that were identified to be key to the ongoing operations of Second Cup. The Monitor also continued to have several meetings with the CRO and Management, surrounding amongst other things, financial resources required and the proposed DIP Amendment, timelines for supplying products to the franchise partners, reporting requirements, the 13-Week Cash Flow and the Revised Cash Flow (as defined and discussed further below), the proposed SISP and Stalking Horse Agreement.

19. The Monitor has held discussions with Second Cup's employees to form a better understanding of their invoicing process and how the royalty fees charged to each franchisee are calculated.

20. The Monitor has assisted the Debtor and CRO in addressing the needs of the franchise partner.

21. The Monitor has continued to maintain communication with stakeholders and providing updates on these CCAA Proceedings.

22. The Monitor continues to engage with Management and the CRO regarding the foregoing. The Monitor will update this Court accordingly as these CCAA Proceedings progress.

23. The Monitor's specific activities relating to the Claims Identification Process, proposed SISP, Stalking Horse Agreement and the Critical Suppliers are outlined in the below sections of this Second Report.

Claims Identification Process Update

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

25. As part of its administration of the Claims Identification Process, the Monitor:

a. sent the Document Package to the Known Creditors at the last known mailing address of each creditor according to the Debtor's records in accordance with the Claims Identification Order, on June 3, 2025. In accordance with the Claims Identification Order, the Document Package was sent within five (5) business days of the issuance of the Claims Identification Order. A copy of the mailing affidavit with the respective Document Package is attached hereto as **Appendix "D"**;

b. advertised the Claims Identification Process by placing the Notice to Creditors in The Globe & Mail (National Edition) on June 4, 2025, in accordance with the Claims Identification Order. A copy of the tear sheet from June 4, 2025 is attached hereto as **Appendix "E"**;

c. posted the Notice to Creditors, Document Package and Claims Identification Order on the Monitor's case website; and

d. advised any creditor that contacted the Monitor that they could find documents relevant to the Claims Identification Process and the CCAA Proceedings on the Monitor's case website.

26. As of June 17, 2025, the Monitor had not received any claims through the Claims Identification Process. Accordingly, on June 17, 2025, the Monitor sent the Document Package via email to the last known email address of each Known Creditor (the "**June 17 Emailing**"). A copy of the emailing affidavit for the June 17 Emailing is attached hereto as **Appendix "F"**.

27. Following the June 17 Emailing, and by the Claims Bar Date (being June 30, 2025), the Monitor received the following claims:

Claim Type	Number of Claims Received	Quantum of Claims received (CAD)
Pre-Filing Claims for which the Monitor received a Proof of Claim	15	$11,844,858
Restructuring Claims	0	$0
D&O Claims	2	$25,052,115
Total Claims Received	**17**	**$36,896,973**
Note: 1. One Pre-Filing Claim was received after the Claims Bar Date. 2. Both D&O Claims are also against Second Cup. 3. D&O Claims include a litigation claim of $25,000,000 from a former shareholder.		

28. The Monitor notes that it has not fully completed its review of the Proofs of Claim received as part of the Claims Identification Process. As such, the amounts above are subject to review and change. The Monitor notes that certain claims received in the Claims Identification Process relate to ongoing litigation between the Debtor, Second Cup's shareholders, the Applicant, and other parties. As such, detailed legal analysis is required before the Monitor can either accept, revise, or disallow such litigation-related claims.

29. The Monitor will report to this Court once a final determination has been made regarding the Monitor's view on the claims.

Pre-Filing Payments and Critical Suppliers Update

30. As stated in the First Report, the Monitor understands that the Debtor's franchisees are required, pursuant to their franchise agreements with the Debtor, to purchase critical supplies such as coffee beans, powders, syrups, and other goods and services which are essential to Second Cup's continued operations. As a result, if the Debtor is unable to source these goods it will be unable to supply them to the franchisees, which would result in value destruction for the Debtor and its stakeholders.

31. The ARIO provided that with the consent of the Monitor, the Debtor is permitted to pay amounts owing for goods or services supplied prior to the CCAA Proceedings if, in the opinion of the Debtor and the Monitor, such payment is necessary or desirable to avoid disruption to Second Cup's ongoing business operations.

32. The Monitor, along with the Debtor and the CRO, held discussions with the identified Critical Suppliers to determine the correct amount owing to each. The Monitor learned that in some cases partial payments had been made to certain Critical Suppliers and/or the amounts owing thereto were not accurately reflected in the Debtor's books and records.

The Monitor assisted the CRO in negotiating payment terms to ensure the continued supply of goods and services from the Critical Suppliers.

33. On June 18, 2025, with the consent of the Monitor, the Debtor made payments totaling $90,879.25 to the identified Critical Suppliers. As a result of the Critical Suppliers receiving payment for their pre-filing arrears, Second Cup was able to place new purchase orders to provide their franchisees with the necessary supplies that are essential to their continued operations. Over several payments made from June 29, 2025 to August 13, 2025, with the consent of the Monitor, the Debtor made payments totaling $241,118 to its suppliers to satisfy new purchase orders.

34. The Monitor is of the view that payment to the Critical Suppliers was imperative for Second Cup to continue operations whilst conducting a restructuring. The Monitor understands that the payments were necessary to receive further supplies and services from the Critical Suppliers.

CASH FLOW FORECAST AND THE DEBTORS' RECEIPTS AND DISBURSEMENTS

35. As reported in the First Report, the Debtor and the CRO, with assistance from the Monitor, prepared the 13-Week Cash Flow, which extended the initial cash flow period through to August 31, 2025 (the "**Extended Cash Flow Period**"). The 13-Week Cash Flow was prepared on the assumption that the Debtor's franchise operations and collections would continue in the ordinary course.

36. The following table summarizes the Debtor's receipts and disbursements over the first 13 weeks of the Extended Cash Flow Period, along with variances compared to the 13-Week Cash Flow included with the First Report:

The Second Cup Coffee Company Inc. Budget to Actual - Variance Report For the 13-Week Period Ending August 16, 2025 CAD $000	Forecast	Actual	Variance
Cash Receipts			
Franchise Collections	$49,000	$55,295	$9,295
A/R Collections	$240,000	$55,302	$(184,698)
Miscellaneous Receipts	$1,500	$1,636	$136
Total Cash Receipts	**$290,500**	**$115,232**	**$(175,268)**
Cash Disbursements			
Operational Stability Costs	$123,200	$101,445	$(21,755)
Labour	$196,600	$188,015	$(8,585)
Leases	$26,200	$30,274	$4,074
Operating Expenses & Purchases	$152,300	$265,648	$113,348
Total Cash Disbursements	**$498,300**	**$585,381**	**$87,081**
Total Financing Disbursements	$23,250	$12,626	$(10,624)
Total Professional Fees	$620,000	$343,998	$(276,002)
Total Cash Disbursements	**$1,141,550**	**$942,006**	**$(199,544)**
Net Cash Flows	**$(851,050)**	**$(826,774)**	**$24,276**
Cash from Interim Financing			
DIP Financing	$900,000	$841,620	$(58,380)
Opening Cash Balance	$1,432	$1,432	-
Closing Cash Balance	**$50,382**	**$16,278**	**$(34,104)**

37. The following information details the Debtor’s actual receipts and disbursements, along with the notable variances from the 13-Week Cash Flow:

a. DIP Financing – The receipt of DIP Financing was delayed over the course of the 13-Week Cash Flow Period. The Monitor notes that most of the received funds were not made available to the Debtor until Week 4, which resulted in delays to several other payments. As will be discussed in more detail in the paragraphs below, the delays in receiving the DIP Financing has impacted the timing of certain receipts and disbursements. One of the primary drivers for the delay in providing the DIP Financing is that the DIP Lender’s bank account is in Cyprus, and as a result, wire transfers can take up five business days or more to be received in the Monitor’s trust account. The variance for the remaining DIP Financing is expected to be reversed in the coming weeks as the final payment on the current DIP Facility is received.

b. Franchise and Accounts Receivable Collections – Accounts receivable arrears collections have been lower than what was projected in the 13-Week Cash Flow. While certain franchisees have continued to make payments towards their balances owing, other franchisees have not remitted payment, due to having not received necessary support from the Debtor prior to the CCAA Proceedings. Delays in receiving the DIP Financing resulted in the Critical Suppliers being paid later than anticipated, which in turn delayed the payment of the new purchase orders. Without the new purchase orders being fulfilled, many franchisees continued to withhold payment. However, now that all purchase orders have been paid for, the Debtor expects to receive further collections on accounts receivable arrears.

c. Operational Stability Costs – The total payments made to Critical Suppliers were $21,755 less than projected in the 13-Week Cash Flow. This was a result of certain arrears balances being overstated in the Debtor's records and certain Critical Suppliers providing revised invoices to remove any late payment penalties. Management and the CRO held several discussions with the Critical Suppliers to determine the correct balances they were owed to continue supplying to Second Cup.

d. Labour – Labour costs were approximately $8,600 lower than projected due to the timing of post-filing government source deduction and contractor payments. Both variances are expected to be reversed by the end of August 2025.

e. Operating Expenses & Purchases – The volume of new purchase orders to be fulfilled was larger than expected, with a combined freight and supply purchase variance of $109,000. These additional payments were critical to maintain the operations of the Debtor and to provide the necessary support to the franchisees. Failure to fulfil the purchase orders would have resulted in a material adverse effect for Second Cup and its stakeholders.

f. Other Operating Expenses & Purchases – Other operational expenses which were higher than forecasted were subscriptions, travel, and insurance. The primary reasons being that certain subscription services were omitted from the 13-Week Cash Flow, a contractor business trip which was not captured in the 13-Week Cash Flow, and an insurance policy which required an annual payment (instead of monthly installments), respectively.

g. Financing Disbursements – Interest payments owing in respect of the BMO line of credit have been maintained post-filing. The variance in financing disbursements is attributed to no interest payments being made on the DIP Facility, due to interest accruing. This variance is expected to reverse in future weeks.

h. Professional Fees – As a result of the delays in receiving the DIP Financing, payment of certain professional fees have been delayed to later weeks. Given the urgency to satisfy the new purchase orders, and in the absence of the forecasted collections, critical operational disbursements were prioritized over professional fees, with approval from the Monitor. This variance is expected to be reversed in future weeks as catchup payments will be contemplated in an extended 13-Week Cash Flow.

38. Considering the above variances, the Debtor and the CRO, with the assistance of the Monitor, prepared a revised and extended 13-Week Cash Flow (the "**Revised Cash Flow**"). The Revised Cash Flow was prepared under the same Probable and Hypothetical Assumptions.

39. Below is a summary of the Revised Cash Flow, reflecting the actual results from May 22, 2025 to August 16, 2025 and the projected receipts and disbursements over the revised extended period from August 17, 2025 to November 7, 2025 (the "**Revised Extended Cash Flow Period**"):

Revised Cash Flow Summary			
For the week beginning In CAD	Actuals Week 1-13	Forecast Week 14-25	TOTAL
Cash Receipts			
Franchise Collections	58,295	104,500	162,795
A/R Collections	55,302	136,600	191,902
Miscellaneous Receipts	1,636	500	2,136
Total Cash Receipts	**115,232**	**241,600**	**356,832**
Cash Disbursements			
Operational Stability Costs	101,445	-	101,445
Labour	188,015	185,100	373,115
Leases	30,274	31,500	61,774
Operational	265,648	50,300	315,948
Total Financing Disbursements	12,626	47,300	59,926
Professional Fees	343,998	585,000	928,998
Total Cash Disbursements	**942,006**	**899,200**	**1,841,206**
Net Cash Flows	**(826,774)**	**(657,600)**	**(1,484,374)**
DIP Financing	**841,620**	**658,380**	**1,500,000**
Opening Cash Balance	1,432	16,278	1,432
Closing Cash Balance	16,278	17,058	17,058

40. The Revised Cash Flow is attached hereto as **Appendix "G"**.

41. The Revised Cash Flow indicates the need to receive additional funding beyond the $900,000 that was provided for in the Amended DIP Term Sheet, which is further discussed herein.

42. The Monitor has reviewed the Revised Cash Flow to the standard required of a Court-appointed monitor by s. 23(1)(b) of the CCAA. The Monitor's review of the Revised Cash Flow consisted of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by Management and the CRO of the Debtor. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to same were limited to evaluating whether they were consistent with the purpose of the Revised Cash Flow. The Monitor has also reviewed the support provided by the Debtor for the Probable and Hypothetical Assumptions and the preparation and presentation of the Revised Cash Flow. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

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

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

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

43. The Monitor makes the following general comments on the adjustments made to the 13-Week Cash Flow in the preparation of the Revised Cash Flow:

a. the Extended Cash Flow Period has been extended to the week ending November 7, 2025 to account for the estimated timeline of the proposed SISP and proposed stay extension (as described in detail below);

b. franchise collections have been adjusted to more accurately reflect the frequency and quantum of payments received to date;

c. collections on pre-filing accounts receivable have been adjusted to account for the variances noted above. Collections are not expected to be received until the new purchase orders have been fulfilled;

d. payments towards future purchase orders have been reduced in the Revised Cash Flow. Considering the volume of purchase orders already made, the Debtor is not expecting any significant supplier costs during the Revised Extended Cash Flow Period;

e. the Revised Cash Flow contemplates catch-up payments for employee related source deductions, and then resuming payments in the ordinary course;

f. the Revised Cash Flow has adjusted the timing and amounts of certain other disbursements to be more in line with the historical results; and

g. the Revised Cash Flow contemplates catch up payments for interest on the DIP Facility and then continuing payments in the ordinary course.

44. Since the Revised Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the Probable and Hypothetical

Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Revised Cash Flow will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy or completeness of any financial information presented in this First Report or relied upon by the Monitor in preparing this First Report.

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

EXTENSION OF THE STAY PERIOD

46. As explained in the First Report, Second Cup is relying on funding from the DIP Lender over the course of the short and medium term to inject capital for the purpose of continuing operations. Additionally, considering the timeline of the proposed SISP (as described in detail below), and the Debtor's cash flow needs over that period, the Applicant is seeking the approval of the Court that the Stay Period be extended to November 7, 2025. The Monitor supports this request and is of the view that no creditor would face material prejudice should this Court grant such request.

AMENDMENTS TO DIP FACILITY TERM SHEET

47. The Debtor's cash position at the commencement of the CCAA Proceedings was approximately $450. The Revised Cash Flow estimates the Debtor will require further incremental advances under the DIP Facility totaling $1,500,000 to fund its cash shortfall during the Revised Extended Cash Flow Period. The Debtor is projecting total disbursements of approximately $1 million.

48. On May 29, 2025, the Court approved the Amended DIP Term Sheet, increasing the amount of the DIP Facility to $900,000.

49. The DIP Amendment amends the Amended DIP Term Sheet by increasing the maximum aggregate principal amount of the DIP Facility from $900,000 to $1,500,000. The Applicant is seeking approval of the DIP Amendment.

50. It is a condition precedent to the DIP Amendment that the increased balance of the DIP Facility will be secured in full by an equal increase to the DIP Facility Charge.

51. The DIP Lender, who is also the Applicant, is supportive of the terms of the DIP Amendment. Accordingly, the Applicant, with the support of the Monitor, seeks approval from this Court of the DIP Amendment, including the increase to amounts which may be borrowed by Second Cup under the DIP Facility to $1,500,000, which, together with the other obligations of the Debtor under the Second Amended DIP Term Sheet will be secured by the DIP Facility Charge.

52. As described in the Revised Cash Flow, the Monitor notes that the Debtor requires critical additional funding to continue to operate and emerge from these CCAA Proceedings. The amendments to the DIP Amendment is necessary to provide the Debtor with sufficient liquidity to the end of the Stay Period (if extended).

53. As at the date of this Second Report, The Monitor is not aware that any of the secured creditors oppose the increase in the DIP Facility Charge, as proposed. As noted in the First Report, BMO will not be affected by these CCAA Proceedings, as is contemplated in the Revised Cash Flow to maintain BMO's post-filing principal and interest payments. Further, any deemed trust amounts owing to the Crown will not be primed by the DIP Facility Charge.

54. Based on the foregoing, the Monitor respectfully recommends that the Court grant the Applicant's request for approval of the Second Amended DIP Term Sheet.

THE PROPOSED SISP

Summary of the SISP

55. The Applicant is seeking the Court's approval for the SISP to be administered by the Monitor. The details of the Applicant's proposed SISP are set out in **Appendix "H"**. Undefined capitalized terms in this section shall have the meanings ascribed to them in the SISP. A summary of the key milestones under the SISP is set out below:

Item	Details
Publication of Notice and Delivery of NDA and Teaser Letter to Known Potential Bidders	Within 5 days following the granting of the SISP Order
Bid Deadline	September 30, 2025
Auction Date (if applicable)	3 business days after the Bid Deadline
Sale Approval Motion (as defined in the SISP)	Within 14 days of completion of the Auction or the Bid Deadline
Closing of the Transaction	10 days after the granting of the Sale Approval Order

56. The SISP was developed by the Applicant with the assistance of the Monitor. The SISP was designed to maximize the Monitor's control over the process, to ensure that the SISP is conducted in a transparent manner that appropriately considers the interests of all stakeholders.

57. Further material elements of the SISP are summarized below:

a. the Monitor will conduct the SISP;

b. the Monitor, will prepare a list of potential bidders, which shall include each of the Known Potential Bidders (as defined in the SISP);

c. the Monitor will arrange for a notice of the SISP to be published in Insolvency Insider, the Monitor's website, and any other newspaper, journal, website, or media outlet the Monitor considers appropriate, if any;

d. the Monitor, will prepare a letter describing the purchase opportunity, outlining the process under the SISP (the "**Teaser**") and inviting recipients of the Teaser to express their interest pursuant to the SISP;

e. the Monitor, will prepare a non-disclosure agreement (an "**NDA**");

f. the Monitor will send the Teaser and NDA to each Known Potential Bidder (within 5 days following the SISP Order, if granted) and any other Person who requests a copy of the Teaser and NDA;

g. a party who wishes to participate in the SISP will execute an NDA, becoming a Potential Bidder;

h. the Monitor shall in its discretion provide each Potential Bidder with access to a virtual data room ("**VDR**") that will contain documentary materials and details of the Debtor's business and affairs. Potential Bidders may also request additional information that the Monitor determines is reasonable;

i. any officer, director, employee, or equity holder of the Debtor that intends to acquire an interest in a Potential Bidder or be a Potential Bidder themselves ("**Insider Involvement**") shall disclose, no later than 10 days following the granting of the SISP Order (if approved) to the Monitor in writing, their Insider Involvement (a "**Participating Insider**"). The Monitor notes that Arbat Capital, in its capacity as the Stalking Horse Bidder, is a Participating Insider for the purpose of the SISP;

j. a Participating Insider shall certify in writing to the Monitor that the Participating Insider will not take any steps to affect or impair the integrity of the SISP, including by providing inaccurate or incomplete information to other Potential Bidders or by discouraging Potential Bidders from participating fully in the SISP;

k. until a Successful Bid and Back-Up Bid are selected, Participating Insiders shall not be provided with information about the identities of the other Potential Bidders or parties that submitted a Bid and the terms of any Bid or Qualified Bid;

l. any Participating Insider that submits a Bid shall not participate in the Monitor's review or consideration of any Qualified Bid, the selection of a Successful Bid or Back-Up Bid, or the negotiation of final transaction documents. The Monitor, in its sole discretion, may communicate with and disclose information to Participating Insiders for the purpose of administering the SISP. If a Participating Insider ceases Insider Involvement and withdraws from the SISP, they shall be permitted to receive the above noted information;

m. Potential Bidders that wish to make an offer to purchase or make an investment in the Debtor (a "**Bid**") that complies with the SISP shall submit their Bids by the Bid Deadline. Bids that comply with the requirements in the SISP will be designated as Qualified Bids by the Monitor. The Monitor will evaluate each Qualified Bid upon the factors outlined in the SISP;

n. each Bid, other than the Stalking Horse Bid, shall be accompanied by a deposit equal to 10% of the cash purchase price contemplated by the Bid. Such deposits, which are refundable to unsuccessful Bidders, shall be held in trust by the Monitor pending the outcome of the SISP;

o. there are particular requirements for each of a Sale Proposal and an Investment Proposal, as detailed in the SISP. Each Bid must also contain certain prescribed representations as detailed therein. While the Stalking Horse Bid contemplates a "reverse vesting order" structure, the SISP allows for flexibility for Potential Bidders to submit an asset purchase bid;

p. any sale of the Property or Business shall be on an "as-is, where is" basis;

q. a Qualified Bid must at minimum be equivalent to the Stalking Horse Bid plus $250,000 cash payment;

r. if the Monitor receives at least one Qualified Bid (in addition to the Stalking Horse Bid), the Monitor will conduct and administer an auction. The SISP contemplates an auction procedure, which includes minimum Overbid thresholds, bidding disclosure requirements, and contains discretion for the Monitor to set additional procedural rules, among other elements;

s. as contemplated by the Stalking Horse Agreement, including as part of the Auction, the Stalking Horse Bidder will be permitted to submit a credit bid or retain all of part of the liabilities owing under the DIP Facility;

t. to provide an incentive and to compensate the Stalking Horse Bidder for performing the due diligence and incurring the expenses associated with its involvement in the SISP, the Debtor has agreed to reimburse the Stalking Horse Bidder for its reasonable out-of-pocket costs and expenses up to a maximum of $150,000, in the event that the Stalking Horse Bidder is not the Successful Bidder.

u. once a Successful Bid is identified, the Monitor will seek Court approval thereto, with closing to occur no later than 10 calendar days after granting of the Sale Approval Order; and

v. a Successful Bid must be closed by no later than November 15, 2025.

58. Due to the CRO's involvement in the Board and the Applicant, and to ensure the integrity of the SISP, the SISP provides for the Monitor to supervise the SISP including to evaluate bids received.

<u>The Stalking Horse Bid</u>

59. As set out in the Third Golubovich Affidavit, the Applicant is currently seeking the Court's approval for Arbat Capital to act as the Stalking Horse Bidder in the SISP (the "**Stalking Horse Bid**"). A copy of the Stalking Horse Bid is attached to this Second Report as **Appendix "I"**. The Stalking Horse Bid contains the following provisions, with undefined capitalized terms having the meanings ascribed to them in the Stalking Horse Bid:

   a. the Stalking Horse Bid is premised on Arbat Capital acquiring newly issued common shares of the Debtor such that Arbat Capital will become the 100% owner of Second Cup. Existing shares will be cancelled in accordance with the "Implementation Steps", set out and defined in the Stalking Horse Bid;

   b. the transaction contemplated by the Stalking Horse Bidder will be affected via a "reverse vesting order" to be issued by the Court given the various franchise agreements between the Debtor and the franchisees;

   c. the Stalking Horse Bidder, should it close the Transaction (as defined in the SISP), will assume amounts under the DIP Facility, the Debtor's Secured Indebtedness, and unpaid amounts that are in priority to the Secured Indebtedness (this includes priority amounts owing to CRA under the CCAA). The Stalking Horse Bidder will not assume any liability designated as an Excluded Liability (as defined in the Stalking Horse Bid);

   d. the Stalking Horse Bid includes a Closing Payment, which is made up of, among other things, any Priority Payment, all amounts owing under the Administration Charge, and the costs associated with the wind down of the CCAA Proceedings and the newly created ResidualCo;

   e. the Stalking Horse Bidder has the ability to exclude assets or contracts from the transaction;

f. the Monitor will share with Potential Bidders in the SISP the estimated purchase price of the Stalking Horse Bidder in the VDR including the quantum of the amounts owing under the DIP Facility;

g. if a Bidder submits a competitive Bid, the SISP provides that the Monitor will attempt to determine the value of the Bids as received compared to the Stalking Horse Bid, and if unable to do so, may seek advice and directions of the Court;

h. there is a break fee of $150,000 contemplated by the Stalking Horse Bid should the Stalking Horse Bidder not be the Successful Bidder in the SISP (the "**Break Fee**"); and

i. in addition to the standard grounds for termination consistent with agreements in other CCAA proceedings, the Stalking Horse Bid may also be terminated by the Parties if an approval Order has not been obtained by the targeted closing date or if the Court declines to grant an approval Order (for reasons other than a breach of the Stalking Horse Bid).

<u>The Monitor's Views Regarding the Proposed SISP and the Stalking Horse Bid</u>

60. The Monitor is supportive of the Applicant 's requested relief in respect regarding the SISP, as detailed in the Third Golubovich Affidavit, for the following reasons:

a. the Monitor will be responsible for all material elements of the SISP and can consult with the Debtor should such consultations be necessary;

b. the duration and timelines of the proposed SISP balances the liquidity profile of the Debtor and the time necessary to undertake the SISP and are therefore reasonable and appropriate in these circumstances. Prior to the date of this Second Report, the Monitor received several inquiries from interested parties regarding the SISP and is of the view that many potential purchasers are already aware of the opportunity. Interested parties will have sufficient time to prepare a bid, if they intend to do so;

c. the ability to advertise the SISP will assist in notifying potential participants of the opportunity to participate in a purchase of the Debtor's business;

d. the ability for the Monitor to hold an auction will support maximum stakeholder recovery;

e. Participating Insiders will not have any input into the selection of the Successful Bidder and the Monitor will maintain the overall decision-making power in this regard; and

f. the Stalking Horse Bid will be a public document and will provide Known Bidders with a template agreement upon which to assess their Bids. The existence of the Stalking Horse Bid allows for a shorter process than would typically be required in a SISP and provides the process with certainty of outcome and will enhance Second Cup's restructuring efforts; and

g. the SISP requires a return to Court for approval of the Successful Bid from the SISP, including the Stalking Horse Agreement, this ensures that a restructuring and sale will not proceed without further review and consideration by the Court.

61. Considering the foregoing, the Monitor is of the view that the SISP, including the Break Fee, is fair and reasonable.

62. The Monitor notes the following observations with respect to the Stalking Horse Bid:

a. the quantum of the Break Fee, while payable to a related party, is of a reasonable amount relative to Break Fees seen in similar cases (a third-party Break Fee tracker is attached for reference hereto as **Appendix "J"**);

b. the Monitor is of the view that the Stalking Horse Bid provides the Debtor's stakeholders with certainty and stability while the SISP is conducted and protects the stakeholders from downside risk;

c. the Monitor is of the view that the Stalking Horse Bid is reasonable in the circumstances, as it results in the assumption of the Secured Indebtedness, priority amounts owing to CRA and amounts owing under the DIP Facility. Arbat Capital, in the unique circumstances of this case where it is the largest creditor and shareholder as well as the DIP Lender, is sufficiently incentivized to complete the Stalking Horse Bid; and

d. the Monitor is of the opinion that the date a successful bid must be closed by allows for enough time to close the Transaction.

63. The Monitor notes that the largest component of the purchase price is the assumption of the DIP Facility. The Monitor and its counsel have reviewed the nature of the amounts provided by Arbat Capital (in its capacity as the DIP Lender) and have reviewed this with the Debtor and the CRO and are of the view that the DIP Financing is properly

characterized as debt from both a legal and accounting perspective. As such, the Monitor is comfortable with the assumption of the DIP Facility forming a significant portion of the Purchase Price contemplated by the Stalking Horse Bid.

64. For the reasons detailed above, the Monitor recommends that the Court approve the SISP.

CONCLUSION

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

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

67. For the reasons set out in this Second Report, the Monitor is of the view that the relief requested by the Applicant is reasonable and respectfully recommends that this Court make the Order granting the Applicant's requested relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 18th day of August 2025.

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

DocuSigned by:

Per: Jason Kanji
5B43CCA3D954459...

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

Appendix F

Sale of Global Coffee House Chain

Opportunity overview

August 2025

Grant Thornton Limited, in its capacity as Court-appointed monitor (“**Monitor**”) of The Second Cup Coffee Company Inc. (“**Second Cup**” or the “**Company**”) is soliciting offers from interested parties to invest in or acquire an established global coffee house chain and retailer, with over 170 cafés worldwide and a foothold in the fast-growing coffee markets of the Middle East and Africa, pursuant to an order (“**SISP Order**”) granted on August 21, 2025, by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The sale and investment solicitation process (“**SISP**”) outlines the procedures by which the Monitor will seek offers for Second Cup.

Key investment features

Growing Demand

Second Cup is a global coffee chain, offering a variety of different drinks and snacks to customers. The global coffee market is one of the largest in the world and has an estimated worth of $269.27 billion as of 2024. The industry is only projected to expand, with the market expected to grow to $369.46 billion by 2030.

Variety of Locations

Second Cup features locations all over the world, including stores in the Middle East, Eastern Europe, Northern Africa, and the United States. The Company offers a variety of café types to attract potential franchise partners.

Development / Expansion Opportunities

Middle Eastern, Asian, and African countries comprise 57.83% of the world’s coffee consumption. Second Cup’s significant presence in these regions presents major growth opportunities. The coffee market in the Middle East and Sub-Saharan Africa is quickly growing, and the Company has already established dozens of franchise agreements with enthusiastic franchise partners across these regions.

Café Locations and Franchise Agreements

The Company has over 170 franchise locations globally (all outside of Canada), primarily in the Middle East, Africa, and Europe. The Company has seen total franchise sales grow 34% from 2022 to 2024 and continues to expand its franchise locations, including a flagship location in Kenya. The Company holds franchise agreements with each of its stores with royalties payable to the Company averaging roughly 4% per month. Copies of all franchise agreements can be found in the virtual data room.

Café Types

The Company offers multiple café types to its potential franchisees, ranging from from small kiosks to grand and flagship locations. This variety attracts a higher volume of franchisees and allows for accelerated expansion.

SECOND CUP

COFFEE COMPANY

Sales process milestones

- **Launch Date**: August 22, 2025
- **Bid Deadline**: September 30, 2025, at 5:00 PM EST
- **Auction Date (if applicable)** October 3, 2025
- **Sale Approval Motion**: Within 14 days of completion of the Auction or the Bid Deadline
- **Closing**: 10 days after the granting of the Sale Approval Order

Bidding procedures

Details of the SISP can be found on the Monitor’s case website. Key features include:

- Binding offers are to be submitted to the Monitor prior to the Bid Deadline in substantially the same form as the templated purchase agreement found in the VDR.
- Upon submission of an offer, it is binding to the prospective participant and irrevocable until the selection of the Successful Bidder.
- Binding offers submitted by prospective participants must contemplate an “as is, where is” basis.
- A cash deposit of at least 10% of the purchase price must accompany a binding offer, either by wire or certified cheque, payable to the Monitor to be held “in trust”.

Next steps

Parties wishing to participate in the SISP may receive further information, including a Confidential Information Memorandum (“**CIM**”) and access to a virtual data room (“**VDR**”) by providing to the Monitor an executed non-disclosure agreement (“**NDA**”). All enquiries must be directed to the Monitor. Copies of the NDA and SISP documents can be found in the Monitor’s case website: www.DoaneGrantThronton.ca/SecondCup.

Jason Kanji (CPA, CA, CIRP, LIT)
Vice President
T +1 416 777 6136
E Jason.Kanji@Doane.gt.ca

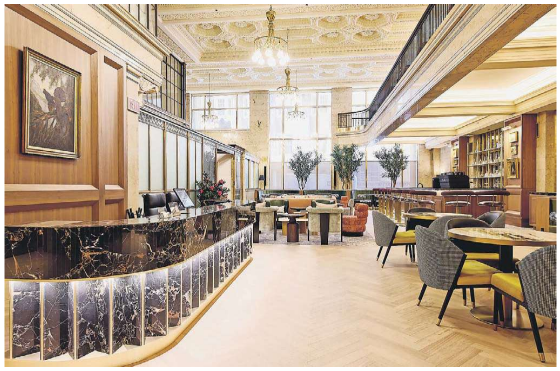
Jesse Cooper (CPA)
Manager
T +1 416 360 2364
E Jesse.Cooper@Doane.gt.ca

Appendix G

Co-working spaces upgrade with perks, privacy, cold plunges

Toronto heritage building transforms into luxury offering inspired by the world's best hotels

ALICIA COX THOMSON



From its plaster, hand-carved lobby ceilings to its Art Deco-inspired design, the iQ Offices at 302 Bay St. combine marble, wood and aged brass to create a modern and elegant vibe. SUPPLIED BY AUGUST MEDIA

Born from the bones of a former Bank of Montreal site, Toronto's 302 Bay St. welcomed a new tenant when iQ Offices – the largest Canadian-owned co-working company – started subleasing the heritage building in 2023.

Led by chief executive officer Kane Willmott and partner Alex Sharpe, the plan was to restore the 14-storey, 108-year-old building with the aim of creating Canada's most luxurious co-working space, inspired by the five-star design and service found in the world's best hotels.

"The best corner in the country is King and Bay [Streets]," says Mr. Willmott, adding that restoring a historic building connected to Toronto's underground PATH walkway was a "no-brainer." The approximately $19-million renovation took almost two years to complete, with all 14 floors now complete after the first seven floors had opened in February.

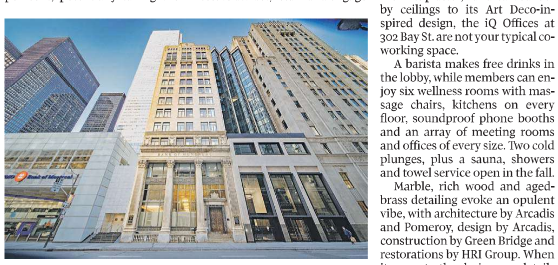
THE RESURGENCE OF CO-WORKING SPACES

The co-working industry is recovering as more people return to offices.

After the pandemic hit in April, 2020, Statistics Canada reported that 40 per cent of Canadians were mostly working from home – a figure that declined to 20 per cent by May, 2023. In November, 2024, a Labour Force Survey found about 12.5 per cent of Canadians worked exclusively from home, while 11.5 per cent had hybrid arrangements.

This dovetails with co-working data from real estate company Colliers, which reported in 2023 that flexible office space was expected to represent 8 per cent of national office inventory, up from the 6 per cent predicted in 2021. A report by market researcher Mordor Intelligence suggested the Canadian co-working market size will reach an estimated $4.87-billion this year, with a compound annual growth rate of roughly 8 per cent, potentially taking the market to $7.14-billion by 2030.

"More and more companies are saying they want people back to the office, and I believe it's because they see value in people being together," says Mr. Willmott. "There are only three reasons to invest in office space as a business: to attract, retain and engage talent. If you're not doing that, you shouldn't spend $1 on [permanent] office space."



The former Bank of Montreal heritage building has been transformed into a luxury, 14-storey co-working spot that offers free drinks, wellness rooms with massage chairs, along with a soon-to-open sauna and cold plunges. SUPPLIED BY GARCIA CREATIVE

ENHANCED PRIVACY, HIGH-END DESIGN

From its plaster, hand-carved lobby ceilings to its Art Deco-inspired design, the iQ Offices at 302 Bay St. are not your typical co-working space.

A barista makes free drinks in the lobby, while members can enjoy six wellness rooms with massage chairs, kitchens on every floor, soundproof phone booths and an array of meeting rooms and offices of every size. Two cold plunges, plus a sauna, showers and towel service open in the fall.

Marble, rich wood and aged-brass detailing evoke an opulent vibe, with architecture by Arcadis and Pomeroy, design by Arcadis, construction by Green Bridge and restorations by HRI Group. When it came to the design, no details were too small or expensive – from the built-from-scratch rooftop patio to the privacy enhancements hidden in the walls.

The new iQ Offices are the culmination of years of industry experience and innovation, especially when it comes to protecting the intellectual property of members, says Mr. Willmott. Enterprise-grade connectivity is secure, white noise plays softly in public hallways and office spaces to muffle conversation, and angled HVAC pipes were designed to block sound and ideas from escaping through air vents.

While both the seen and unseen building elements play a role in attracting companies and their employees, the real problem that co-working spaces solve is how to keep workers coming in week after week.

"How are we going to earn the commute?" says Mr. Willmott. "Our core business is bringing people into the office. If we can't bring people into the office, our business fails."

When a business owns or rents office space and it goes underused, it can harm the company's bottom line. Businesses are therefore leasing co-working spaces to help drive investment risk down, Mr. Willmott says. "For large organizations, procurement is complex. We save them that work, time and money so they can focus on what they do best."

BEYOND DOWNTOWN – SUBURBAN AND MIDTOWN MARKETS

In Canada, prime downtown spots in major cities are not the only locations with co-working spaces. Mid-size spaces in midtown neighbourhoods and some suburban areas are seeing co-working investments, too.

In Quebec, Montreal-based co-working company Hedhofis specializes in stylish, mid-size spaces that cater to small- and medium-sized businesses, with 10 locations currently operating.

"We don't take on 100,000 square feet or have many big companies as clients – that's not our business model," says Tuan Ngo, vice-president of real estate and development at Hedhofis. "A lot of times, our clients live within five kilometres of our office spaces."

Hedhofis has several locations across Montreal, with less focus on downtown. Its spaces are bright and well-designed in walkable neighbourhoods, with Mr. Ngo acknowledging there has been a lot of demand in Montreal's East End.

To meet the demand, a new Hedhofis location opens in the fall in the Technopôle Angus Eco-district in east Montreal, an established neighbourhood with "lots of young families, cafés and shops, which is what we look for," says Mr. Ngo. Laval's first Hedhofis location will soon open to meet demand.

FUTURE DEPENDS ON PARTNERSHIP

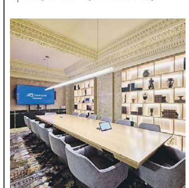
The growth of the co-working market depends on the relationships between landlords and tenants and between tenants and employees, says Ashley Dere, vice-president in commercial real estate at Colliers Canada.

"I think the co-working trend is going to continue to thrive, but a lot of it is based on the financials," Ms. Dere says. "It has to continue to be an affordable option. There's got to be a partnership between the landlord or private owner and the co-working company leasing or renting who are adding sustainability, services and amenities that will bring new life to the building."

iQ Offices signed a long-term lease at 302 Bay St., with no plans to leave the jewel of their business any time soon.

"My favourite thing about this building is the rooftop deck," says Mr. Willmott. "The rooftop is the essence of who we are. We are committed to this building long term, we do the hard work and we don't cut corners."

Special to The Globe and Mail



The new iQ Offices space prioritizes privacy with secure connectivity and uses white noise to muffle office conversations. SUPPLIED BY AUGUST MEDIA

LEGALS

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF THE SECOND CUP COFFEE COMPANY INC.

INVITATION FOR INVESTMENT/ PURCHASE

On May 22, 2025, the Superior Court of Justice (Commercial List) (the "**Court**") granted an initial order (the "**Initial Order**") pursuant to the Companies Creditors Arrangement Act (the "**CCAA**") over The Second Cup Coffee Company Inc. (the "**Debtor**") whereby Grant Thornton Limited was appointed monitor of the Company (the "**Monitor**"). On May 29, 2025, the Initial Order was amended and restated by the Court. The Debtor is **not affiliated** with and is independent from Second Cup Coffee Co., the Canadian coffee chain and retailer.

Furthermore, on August 21, 2025, the Court granted an Order (the "**SISP Order**"), authorizing the Debtor to undertake a sale and investment solicitation process ("**SISP**") for the sale of the Debtor's business, property, assets and undertakings (collectively, the "**Business**").

GRANT THORNTON LIMITED, in its capacity as Monitor is hereby soliciting offers for the Debtor's Business. Information regarding the SISP can be obtained by visiting the Monitor's website: www.DoaneGrantThornton.ca/SecondCup or by contacting Jesse Cooper of the Monitor's office at (416) 360-2364 or Jesse.Cooper@doane.gt.ca.

Please note that all offers are due no later than at 5:00 PM Eastern Standard Time on September 30, 2025.

Doane Grant Thornton

TENDERS

INVITATION FOR OFFERS TO PURCHASE

Rocky Ridge Aggregates Inc.

DOYLE SALEWSKI INC.

in its capacity as Receiver for a Secured Creditor (the "Receiver") for Rocky Ridge Aggregates Inc., is seeking offers for any interest it may have in the following assets:

Quarry on Loxton Line, Powassan, ON and associated pit license

Written requests for Offers will be received by Doyle Salewski Inc. at its office until 3:00 p.m. Monday, September 29, 2025.

This Invitations For Offers is subject to a Confidentiality Agreement which may be obtained at the office of the Receiver which once signed will provide access to our encrypted data room including detailed Terms and Conditions.

For additional information, contact Vicki Russell at (613) 569-4444

Doyle Salewski Inc.
161 Greenbank Road, Suite 250, Ottawa, ON K2H 5V6
Tel: (613) 569-4444 / Fax: 613-569-1116
Email: vicki.russell@doylesalewski.ca

Appendix H

Doane Grant Thornton

AUCTION PROCEDURES

Introduction

On May 22, 2025, The Second Cup Coffee Company Inc. (the "**Company**") on Application by its majority creditor Arbat Capital Group Ltd. ("**Arbat**") became subject to an Initial Order from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") commencing proceedings under the *Companies' Creditors Arrangement Act*. Pursuant to the Initial Order, Grant Thornton Limited was appointed as monitor of the Company (the "**Monitor**").

On August 21, 2025, the Court granted an order (the "**SISP Order**"), authorizing the Company to undertake a sale and investment solicitation process ("**SISP**") for the sale of the Company's business, property, assets, and undertakings (collectively, the "**Business**"). A copy of the SISP Order and SISP procedures is attached hereto as **Schedule "A"**. Capitalized terms used but not defined have the meaning given to them in the SISP.

The SISP Order approved of a stalking horse agreement between the Company and Arbat, in its capacity as the stalking horse bidder (the "**Stalking Horse Bidder**") dated on or about August 15, 2025. Pursuant to the agreement, the Stalking Horse Bidder agreed to subscribe to and purchase all of the Company's share capital, and act as the stalking horse bid in the SISP (the "**Stalking Horse Bid**"). Pursuant to the SISP, the Stalking Horse Bid shall be considered a Qualified Bid (as defined in the SISP).

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

Set forth below are the bidding procedures to be employed with respect to the sale of the Business at the Auction (the "**Auction Procedures**"). The Monitor shall be entitled, in its sole discretion, to amend the terms of the Auction at any time, including during the Auction, if it determines whether it is necessary and appropriate in the circumstances or will otherwise facilitate a more competitive Auction process.
Subject to Court availability and the terms hereof, following the selection of the Successful Bidder (as defined herein) at the Auction, the Monitor will bring a motion seeking an order of the Court, among other things, approving the transaction contemplated in the Successful Bid (as defined below) arising from the Auction.

Auction Details

- **Initial Bid Notification:** The Monitor will provide all parties who have submitted a Qualified Bid, including Arbat as the Stalking Horse Bid (collectively, the "**Qualified Parties**", and each a "**Qualified Party**"), with the details of the leading Bid **by 5:00 PM on October 1, 2025**. Once a leading Bid has been identified, it will be considered the Initial Bid in the Auction.

Auction Participation Confirmation: All Qualified Parties shall confirm their intention to participate in the Auction by **no later than 5:00 PM (EST) on October 2, 2025**. The Monitor will promptly thereafter inform, in writing, each Qualified Party who has expressed its intent to participate in the Auction, of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Bid will become the Successful Bid (as defined herein).

- **Auction Date & Time:** The Auction will commence at **9:30 AM (EST) on October 3, 2025, via Microsoft Teams**. The Monitor in its sole discretion may delay the start of the Auction. Qualified Parties must check into the videoconference link for the Auction by no later than 9:15 AM (EST), as the Monitor intends to begin the Auction at 9:30 AM (EST) promptly.

- The Microsoft Teams meeting details will be circulated to the Qualified Parties upon being notified that their Bid has been deemed a Qualified Bid. The Monitor recommends that Qualified Parties allocate sufficient time on the day of the Auction, as the Monitor cannot guarantee when the Auction will conclude. However, the Monitor maintains their right to adjourn the Auction in its sole discretion, if it is deemed necessary. In the event of an adjournment the Monitor will reconvene the Auction within a reasonable amount of time and on such date as the Monitor may determine.

Bidding Procedure

The Auction will begin with the Initial Bid, and any Bid made after the Initial Bid must proceed with minimum additional cash increments of CAD$250,000 for the first Bid and then in cash increments of **at least CAD$50,000** for each subsequent bid (each, an "**Overbid**").

The Monitor will direct the Qualified Parties as to the bidding order which will be based on the highest Qualified Bid received to the lowest.

The Monitor will only consider cash as qualifying for Initial Bid and Overbid.

In addition to verbally communicating their Overbid, the Qualified Parties will also issue the Overbid in writing via email. At the time an Overbid is made verbally during the Auction, the Qualified Party who made the Overbid shall also email the amount of the Bid to the following recipients: Jason.Kanji@doane.gt.ca, Jesse.Cooper@doane.gt.ca, msassi@cassels.com, and jgordon@cassels.com.

Each of the Qualified Parties will be given **a reasonable 20 minutes**, subject to extension by the Monitor in its sole discretion, to submit their Overbid to the Initial Bid and to any then-existing Overbids. The Auction will continue in rounds providing each participating Qualified Party with an opportunity to submit one or more additional Overbids and will conclude once no Overbids are made.

The Monitor may, in its sole discretion pause the Auction at any time.

Participation at the Auction

Only the Company, represented by its Chief Restructuring Officer, the Qualified Parties, including the Stalking Horse Bidder, the Monitor and each of their respective advisors and legal counsel will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids at the Auction.

It will be presumed that all attendees at the Auction have read and familiarized themselves with the SISP and these Auction procedures. By attending the Auction, the attendees at the Auction acknowledge and agree that they will conduct themselves in accordance with these Auction procedures and be bound thereto in all respects. Any party that does not agree to abide by these Auction Procedures may not participate.

No Collusion

Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the Bid process; and (ii) its Bid is a good-faith bona fide offer, and it intends to consummate the proposed Transaction if selected as the Successful Bid.

Bidding Order

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

Bidding Disclosure

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

Successful Bid

Each Qualified Party will be given **20 minutes**, subject to extension by the Monitor in its sole discretion, to submit an Overbid at the Auction to any then-existing Overbids. The Auction will continue until the bidding has concluded and there is one remaining Qualified Party. The Monitor shall determine, with reference to the factors set out in paragraph 34 herein, and any other factors the Monitor may reasonably deem relevant, which Qualified Party has submitted (i) the highest and best Bid of the Auction (the "**Successful Bid**" and the Qualified Party making the Successful Bid, the "**Successful Bidder**"), and (ii) the next highest and otherwise second-best Overbid of the Auction (the "**Back-Up Bid**", and the Bidder making such Back-Up Bid, the "**Back-Up Bidder**").

The Monitor is not required to select the offer with the highest purchase price and may, exercising their reasonable business judgment, select another offer on the basis that it is the best offer even though not the highest purchase price. Without limiting the foregoing, the Monitor may give such weight to the non-monetary considerations as they determine, exercising their reasonable business judgment, as appropriate and reasonable under the circumstances.

Adjournments

The Monitor reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction to, among other things: (a) facilitate discussions between the Monitor and an individual Qualified Party, including, without limitation, any discussion, negotiation or clarification of any Overbid; (b) allow an individual Qualified Party to consider how they wish to proceed; and (c) consider and determine the current highest and/or best Overbid at any given time during the Auction; and (d) give the Qualified Parties the opportunity to provide the Monitor with such additional evidence as it may require, in its reasonable business judgment, that the Qualified Party has sufficient financial wherewithal to consummate the proposed transaction at the Overbid amount.

No Post-Auction Bids

No Bids will be considered for any purpose after the Auction has been concluded.

Financial Wherewithal

During the Auction the Monitor may, in its sole discretion, request any bidder to provide evidence of financial wherewithal and the Monitor may pause the Auction if required or delivery of evidence of financial wherewithal.

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

Conclusion of the Auction

At the conclusion of the Auction, the Monitor will identify the highest bid and the successful bidder as well as the back-up bidder, representing the bidder of the next highest bid. After the conclusion of the Auction, both the successful bidder and back-up bidder shall provide the Monitor with evidence, at the Monitor's sole discretion, to establish financial wherewithal with respect to each of their final Bids by no later than **5:00 PM on October 7, 2025.**

Appendix I

AMENDING AGREEMENT NO.1 TO STALKING HORSE SUBSCRIPTION AGREEMENT

This Amending Agreement is made as of the __ day of October 2025 (the "**Effective Date**")

BETWEEN:

THE SECOND CUP COFFEE COMPANY INC., a corporation formed pursuant to the laws of the Province of Ontario (hereinafter referred to as the "**Company**")

- and -

ARBAT CAPITAL GROUP LTD., a corporation formed pursuant to the laws of the British Virgin Isles, or its nominee (hereinafter referred to as the "**Purchaser**")

WHEREAS:

A. Pursuant to the Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued May 22, 2025 (as amended and restated on May 29, 2025, and as may be further amended or amended and restated, the "**Initial Order**") the Purchaser commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") in respect of the Company, and Grant Thornton Limited was appointed as Monitor of the Company (in such capacity, the "**Monitor**").

B. Pursuant to an Order of the Court granted on August 21, 2025 (the "**SISP Order**") the Monitor was authorized to conduct a sale and investment solicitation process ("**SISP**") and the Court approved a Stalking Horse Subscription Agreement dated August 15, 2025 (as amended from time to time, including pursuant to This Amending Agreement, the "**Subscription Agreement**") between the Company and the Purchaser.

C. On October 3, 2025 the Purchaser attended at an auction in accordance with the SISP Order which was conducted pursuant to SISP Order (the "**Auction**");

D. At the Auction the Purchaser submitted an overbid that augmented the Purchase Price, as defined in the Subscription Agreement, to an aggregate of $[redacted], as further particularized in this Amending Agreement (the "**Overbid**"). The Overbid was declared by the Monitor, as defined in the Subscription Agreement and SISP Order, as the Successful Bid; and

E. The Parties to the Subscription Agreement (the "**Parties**") as further described herein, and upon the terms and conditions hereinafter set forth to reflect the terms of the Overbid.

F. Pursuant to an Order of the Court granted on October 30, 2025 (the "**RVO**") the Court authorized the Monitor to execute this Amending Agreement on behalf of the Debtor.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties agree as follows:

1. **Capitalized Terms**

In this Amending Agreement, unless the context otherwise requires, capitalized terms used but not otherwise defined herein have the meanings ascribed thereto in the Subscription Agreement.

2. **Amendments to Subscription Agreement**

(a) The following shall be inserted in Section 1.1 in alphabetical sequence:

"**Overbid True-up Amount**" means an amount of cash equal to the difference between $[redacted] and (i) the DIP Indebtedness, (ii) the Secured Indebtedness, (iii) the Priority Payments; (iv) the Administration Charge Amount; and (v) the Administrative Wind-down Amount, to be agreed to by the Purchaser and the Monitor, each acting reasonably, no later than one Business Day prior to the Closing Date.

(b) Subsection 3.3(a) is deleted in its entirety and the following is inserted as follows:

On the Closing Date, the Purchaser shall pay to the Monitor, on behalf of the Company, an amount equal to the sum of: (i) the Priority Payments; (ii) the Administration Charge Amount; (iii) the Administrative Wind-down Amount, and (iv) the Overbid True-up Amount (collectively, the "**Closing Payment**"). The Monitor shall hold the Closing Payment in a non-interest bearing account, in trust for the benefit of Persons entitled to be paid from the Closing Payment.

(c) Subsection 3.3(b) is deleted in its entirety and the following is inserted as follows:

Following the Closing, the Monitor may utilize the Closing Payment to pay and satisfy the Priority Payments, all amounts owing under the Administration Charge, the costs incurred in connection with the administration and wind-down of ResidualCo, and distribute the remaining portion in respect of accepted Claims pursuant to the Claims Identification Order granted by the Court on May 29, 2025, in its sole discretion and without further authorization from the Company or the Purchaser.

3. **No Liability of the Monitor**

Notwithstanding that the Monitor is a Party to this Agreement by virtue of its appointment as Monitor and RVO the Parties acknowledge and irrevocably agree that the Monitor in its personal or corporate capacity shall incur no liability or obligation in respect of the Agreement save and except for gross negligence or wilful misconduct on its part. The Parties further agree that nothing in this Agreement shall derogate from the protections afforded to the Monitor by the Initial Order or any other order of the Court in connection with the CCAA Proceedings.

4. **Further Assurances**

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of This Amending Agreement.

5. **No Other Amendments**

Except as specifically amended by This Amending Agreement, all terms and conditions of the Subscription Agreement shall remain in full force and effect. The Parties hereby affirm that, other than as amended herein, no other amendments have been made to the Subscription Agreement, and all other terms and conditions of the Subscription Agreement are ratified and confirmed.

6. **Counterparts**

This Amending Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

[***Signature page follows***]

IN WITNESS WHEREOF the Parties hereto have executed This Amending Agreement as of the date first written above.

For the Purchaser:

ARBAT CAPITAL GROUP LTD.

By: ______________________________

Name: Alexey Golubovich
Title: Authorized Signatory

I have authority to bind the Corporation.

For the Company:

GRANT THORNTON LIMITED, solely in its capacity as Monitor of THE SECOND CUP COFFEE COMPANY INC. and behalf of the THE SECOND CUP COFFEE COMPANY INC. and not in its personal or corporate capacity.

By: ______________________________

Name: Jason Kanji
Title: Vice President

I have authority to bind the Corporation.

STALKING HORSE SUBSCRIPTION AGREEMENT

THIS STALKING HORSE SUBSCRIPTION AGREEMENT is made as of the 15th day of August, 2025 (the "**Effective Date**")

BETWEEN:

THE SECOND CUP COFFEE COMPANY INC., a corporation formed pursuant to the laws of the Province of Ontario (hereinafter referred to as the "**Company**")

- and -

ARBAT CAPITAL GROUP LTD., a corporation formed pursuant to the laws of the British Virgin Isles, or its nominee (hereinafter referred to as the "**Purchaser**")

RECITALS:

A. Pursuant to the Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued May 22, 2025 (as amended and restated on May 29, 2025, and as may be further amended or amended and restated, the "**Initial Order**") the Purchaser commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") in respect of the Company, and Grant Thornton Limited was appointed as Monitor of the Company (in such capacity, the "**Monitor**").

B. The Purchaser and the Company entered into a term sheet dated as of May 16, 2025 (as subsequently amended and restated on May 29, 2025 and as subsequently amended or restated, the "**DIP Term Sheet**") pursuant to which the Stalking Horse Bidder extended an interim finance facility to the Debtor in the maximum aggregate principal amount of $1,500,000 (the "**DIP Facility"**).

C. In connection with the CCAA Proceedings, the Purchaser intends to return to Court on August 21, 2025, to seek an order of the Court (as may be amended or amended and restated from time to time, the "**SISP Order**"), among other things: (i) approving, and authorizing the Monitor to conduct, a Court-supervised sale and investment solicitation process (in substantially the form and as further described in Schedule "**E**", attached hereto, the "**SISP**"); and (ii) approving this Agreement as a Stalking Horse Bid (as defined herein) for the Purchased Shares (as defined herein).

D. In the event that this Agreement is selected as the Successful Bid (as defined herein) in the SISP, the Company has agreed to issue, sell and transfer to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares, subject to and in accordance with the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby acknowledge and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the following terms shall have the following meanings:

"**Administration Charge**" has the meaning set out in the Initial Order.

"**Administration Charge Amount**" means cash in an amount sufficient to satisfy the amounts owing in respect of the obligations secured by the Administration Charge at the Closing Time.

"**Administrative Wind-down Amount**" means cash in an amount to be determined by the Purchaser and the Monitor, but in any event not to exceed $50,000, to be used to satisfy costs incurred by the Monitor and its professional advisors after Closing to: (a) administer ResidualCo and the Excluded Assets and Excluded Liabilities and (b) wind-down and/or dissolve ResidualCo.

"**Affiliate**" has the meaning given to the term "affiliate" in the *Business Corporations Act* (Ontario).

"**Agreement**" means this stalking horse subscription agreement, as may be amended and restated from time to time in accordance with the terms hereof, with the consent of the Monitor, and "**Article**" and "**Section**" mean and refer to the specified article, section and subsection of this Agreement.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, any: (a) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (b) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (c) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

"**Approval and Vesting Order**" means an order by the Court, in form and substance satisfactory to the Purchaser, the Company and the Monitor, each acting reasonably, among other things: (a) approving and authorizing this Agreement and the Transaction; (b) authorizing and directing the Company to file the Articles of Reorganization, as applicable; (c) vesting in the Purchaser (or as it may direct) all the right, title and interest in and to the Purchased Shares, free and clear from any Encumbrances; (d) cancelling all of the Existing Equity (other than the Purchased Shares) for no consideration; and (e) releasing, to the extent permitted by the Court: (i) the current and former directors, officers, Employees, legal counsel and advisors of the Company and ResidualCo; and (ii) the Monitor and its legal counsel.

"**Articles of Reorganization**" means articles of reorganization in respect of each member of the Company's authorized and issued share capital immediately prior to the Closing of the Transaction, authorizing the issuance of the Purchased Shares and the cancellation of the Existing Shares for no consideration on Closing; such articles of reorganization to be in a form and substance satisfactory to the Purchaser, acting reasonably.

"**Auction**" has the meaning set out in the SISP.

"**Authorization**" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“**Back-up Bidder**” has the meaning set out in the SISP.

“**Bid Deadline**” has the meaning set out in the SISP.

“**BMO Debt**” means the aggregate outstanding indebtedness owing by the Company to Bank of Montreal under the discussion paper between the Company and the Bank of Montreal dated December 11, 2019.

“**Books and Records**” means: (a) all of the Company’s files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records; and (b) all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records used or intended for use by or in the possession of the Company including information, documents and records relating to the Retained Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, cost and pricing information, production reports and records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

“**Break Fee**” has the meaning set out in Section 4.1(b).

“**Business**” means the business conducted by the Company, being a global franchisor of cafes, with its head office located at Mississauga, Ontario.

“**Business Day**” means a day on which banks are open for business in Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

“**CCAA**” has the meaning set out in the recitals hereto.

“**CCAA Proceedings**” has the meaning set out in the recitals hereto.

“**Claims**” means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in action or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

“**Closing**” means the closing and consummation of the Transaction.

“**Closing Date**” means the date that is ten (10) days, or such shorter period as the Purchaser and Monitor may determine by notice in writing to the Company, after the date upon which the conditions set forth in Article 8 have been satisfied or waived, other than any conditions set forth in Article 8 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Parties in writing).

“**Closing Time**” means 12:01 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

“**Closing Payment**” has the meaning set out in Section 3.3(a).

"**Contracts**" means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) related to the Business to which the Company is a party or is bound or in which any member of the Company has, or will at Closing have, any rights or by which any of its property or assets are or may be affected, including any Contracts in respect of Employees.

"**Court**" has the meaning set out in the recitals hereto.

"**CRO**" means Maxim Lojevksy, in his capacity as Chief Restructuring Officer of the Company.

"**DIP Indebtedness**" means all amounts outstanding and obligations payable by the Company under or in connection with the DIP Term Sheet, including principal, interest, fees and expenses.

"**DIP Term Sheet**" has the meaning set out in the recitals hereto.

"**Discharge**" means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, the full, final, irrevocable, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

"**Effective Date**" has the meaning set out in the preamble hereto.

"**Employee**" means any individual who is employed by any member of the Company as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short term or long term disability leave, but for certainty, excludes Terminated Employees.

"**Encumbrance**" means any security interest, lien, Claim, charge, right of retention, trusts, deemed trust, judgement, writ of seizure, write of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever whether or not they have been registered, published or filed and whether secured, unsecured or otherwise and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

"**Equity Interests**" has the meaning set out in section 2(1) of the CCAA.

"***Excise Tax Act***" means the *Excise Tax Act*, R.S.C, 1985, c. E-15.

"**Excluded Assets**" means the properties, rights, assets and undertakings of the Company listed as "Excluded Assets" on Schedule "**A**", as the same may be modified by the Purchaser no later than five (5) days before the Closing Time in accordance with the terms hereof.

"**Excluded Contracts**" means those Contracts and other agreements of the Company that are not Retained Contracts and for greater certainty, includes those Contracts and agreements which are listed on Schedule "**B**", as the same may be modified by the Purchaser no later than five (5) days before the Closing Time in accordance with the terms hereof.

"**Excluded Liabilities**" has the meaning set out in Section 2.3.

"**Existing Shares**" means: (a) all of the common shares of the Company that are issued and outstanding immediately prior to the Closing Time; and (b) any other Equity Interests of any nature or kind of the Company, whether voting or non-voting, whether preferred, common or otherwise, whether convertible or otherwise, including any Contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with any such equity interests; provided, however, that Existing Shares shall not include the Purchased Shares.

"**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

"**GST/HST**" means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act*.

"**Implementation Steps**" means the transactions, acts and events described in Exhibit "**A**", as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof and the Approval and Vesting Order.

"***Income Tax Act***" means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

"**Initial Order**" has the meaning set out in the recitals hereto.

"**Interim Period**" means the period beginning on the Effective Date and ending at the Closing Time.

"**Liability**" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"**Monitor**" has the meaning set out in the recitals hereto.

"**Monitor's Certificate**" has the meaning set out in Section 8.1(e).

"**Organizational Documents**" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"**Outside Date**" means 11:59 pm (Toronto time) on November 14, 2025 or such later date and time as the Parties may agree to in writing.

"**Parties**" means the Company and the Purchaser, and "**Party**" means any one of them.

"**Permits and Licenses**" means the orders, permits, licenses, Authorizations, approvals, registrations, consents, waivers or other evidence of authority issued to, granted to, conferred upon, or otherwise created for the Company, by any Governmental Authority, including those related to the Business, the Retained Assets and the Retained Contracts, and including Authorizations to conduct the Business under Applicable Law.

"**Permitted Encumbrances**" means those Encumbrances related to the Retained Assets set forth on Schedule "**D**", as the same may be modified by the Purchaser no later than ten (10) days prior to the granting of the Approval and Vesting Order in accordance with the terms hereof.

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"**Priority Payments**" means those priority payments prescribed under subsections 6(3), 6(5) and 6(6) of the CCAA.

"**Purchase Price**" has the meaning set out in Section 3.1.

"**Purchased Shares**" has the meaning set out in Section 2.1(a).

"**Purchaser**" has the meaning set out in the preamble hereto.

"**Qualified Bidders**" has the meaning set out in the SISP.

"**ResidualCo**" means a corporation to be incorporated, if required, to which the Excluded Assets and Excluded Liabilities, if any, will be transferred as part of the Implementation Steps, which will have no issued and outstanding shares.

"**Retained Assets**" has the meaning set out in Section 2.2.

"**Retained Contracts**" means the Contracts listed in Schedule "**G**", as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof (and including as such Retained Contracts may be amended, restated, supplemented or otherwise modified from time to time).

"**Retained Liabilities**" means: (a) Liabilities specifically and expressly designated by the Purchaser as retained Liabilities in Schedule "**F**", as the same may be modified by the Purchaser no later than five (5) days prior to the Closing Time in accordance with the terms hereof; (b) the DIP Indebtedness; (c) the Secured Indebtedness; (d) Liabilities which relate to the Business or the Retained Assets, including Liabilities under any Contracts, Permits and Licenses or Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing including Liabilities for wages, vacation pay and Benefit Plans owing by the Debtor to any Employee accruing to and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing; and (e) all Liabilities and Encumbrances which rank in priority to the Secured Indebtedness to the extent that such Liabilities and Encumbrances are not paid and satisfied at or prior to Closing.

"**Secured Indebtedness**" means the BMO Debt.

"**SISP**" has the meaning set out in the recitals hereto.

"**SISP Order**" has the meaning set out in the recitals hereto.

"**Stalking Horse Bid**" has the meaning set out in Section 4.1(a).

"**Successful Bid**" and "**Successful Bidder**" have the meanings set out in the SISP.

"**Taxes**" means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"**Terminated Employees**" means those Employees whose employment will be terminated at or prior to Closing, pursuant to Section 8.2(d), as determined by the Purchaser by written notice to the Company at least three (3) days prior to the Closing Date.

"**Company**" has the meaning set out in the recitals hereto.

"**Transaction**" means, collectively, all of the transactions contemplated by this Agreement which will take place at Closing in accordance with the Implementation Steps, including the subscription for, and issuance of, the Purchased Shares.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings and the term "third party" means any other Person other than the members of the Company or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to "$", are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

EXHIBITS

Exhibit A	-	Implementation Steps

SCHEDULES

Schedule A	-	Excluded Assets
Schedule B	-	Excluded Contracts
Schedule C	-	Excluded Liabilities
Schedule D	-	Permitted Encumbrances
Schedule E	-	SISP
Schedule F	-	Retained Liabilities
Schedule G	-	Retained Contracts

The Parties acknowledge that as of the Effective Date, with the exception of Schedule E, the Schedules are not complete. The incomplete Schedules are for the benefit of the Purchaser and may be amended or completed by the Purchaser, in its sole and absolute discretion, on or before the dates set out in such Schedules or in this Agreement and on notice to the Company with a copy to the Monitor. Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2
SUBSCRIPTION FOR SHARES

2.1 Agreement to Subscribe for and Issue Purchased Shares

(a) Subject to the terms and conditions of this Agreement, in accordance with the Implementation Steps and effective as of the Closing Time, the Purchaser shall subscribe for and purchase from the Company, and the Company shall issue to the Purchaser, free and clear of all Encumbrances (other than any Permitted Encumbrances), 100 newly-issued common shares of the Company (the "**Purchased Shares**").

(b) Pursuant to the Approval and Vesting Order and the Articles of Reorganization, and in accordance with the Implementation Steps, all of the Existing Shares will be cancelled, without consideration, and the Purchased Shares issued to the Purchaser shall represent 100% of the issued and outstanding Equity Interests of the Company following such cancellation and issuance.

(c) For the avoidance of doubt, upon the Closing, following the issuance of the Purchased Shares, the cancellation of the Existing Shares and the completion of the Implementation Steps, the Company shall be wholly owned, directly or indirectly, by the Purchaser.

2.2 Retained Assets; Transfer of Excluded Assets to ResidualCo

At Closing, the Company shall retain all of the assets owned by it on the Effective Date of this Agreement and any assets acquired by it up to and including Closing, including, without limitation, the shares of any and all subsidiaries, equipment and other personal property, Retained Contracts, Books and Records, business and undertakings, trade names and intellectual property, Permits and Licences, Tax losses, receivables and any cash on hand (collectively, the "**Retained Assets**"). The Retained Assets shall not include: (i) the Excluded Assets; or (ii) the Excluded Contracts; which shall be transferred to ResidualCo, in accordance with the Implementation Steps, and same shall be vested in ResidualCo pursuant to the Approval and Vesting Order. The Purchaser shall retain the right to designate assets as Retained Assets or Excluded Assets up to one (1) Business Day prior to Closing.

2.3 Excluded Liabilities; Transfer of Excluded Liabilities to ResidualCo

Pursuant to the Approval and Vesting Order, save and except for the Retained Liabilities, all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Company or the Purchased Shares or against, relating to or affecting any of the Retained Assets, or any Excluded Assets or Excluded Contracts, including, *inter alia*, the non-exhaustive list of Liabilities set forth in Schedule "**C**", (collectively, the "**Excluded Liabilities**") shall be transferred to, vested in and assumed in full by ResidualCo in accordance with the Implementation Steps and the Approval and Vesting Order, and the Company, the Purchased Shares, the Retained Assets and the Company's undertakings, Business, property and Books and Records shall be Discharged of such Excluded Liabilities at the Closing Time. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo only and the Excluded Assets, if any, shall be available to satisfy such Claims. Notwithstanding any other provision of this Agreement, the Purchaser and the Company shall not assume and shall have no liability for any of the Excluded Liabilities and all Excluded Liabilities shall be fully and finally discharged from the Company, the Purchased Shares and the Retained Assets at the Closing Time.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The total aggregate consideration payable by the Purchaser for the Purchased Shares (the "**Purchase Price**") shall be equal to:

(a) the DIP Indebtedness, including principal and interest accrued through to and including the Closing Date, plus any and all fees and expenses associated therewith;

(b) the Secured Indebtedness, including principal and interest accrued through to and including the Closing Date; and

(c) the Closing Payment.

The Purchase Price is expected to fall within the range of \$3,000,000 - \$3,500,000. The Monitor will provide an estimate of the Purchase Price to Qualified Bidders prior to the Bid Deadline.

3.2 Payment of Purchase Price

The Purchase Price shall be paid and satisfied on the Closing Date in accordance with the following:

(a) the DIP Indebtedness and the Secured Indebtedness shall constitute Retained Liabilities and shall continue as valid outstanding obligations of the Company from and after, and notwithstanding, Closing, to be paid and satisfied in accordance with the terms of the loan and security documents establishing the Secured Indebtedness; and

(b) the Closing Payment shall be paid by the Purchaser to the Monitor, on behalf of the Company, on the Closing Date, by wire transfer of immediately available funds, to be utilized and distributed in accordance with Section 3.3.

3.3 Closing Payment

(a) On the Closing Date, the Purchaser shall pay to the Monitor, on behalf of the Company, an amount equal to the sum of: (i) the Priority Payments; (ii) the Administration Charge Amount; and (iii) the Administrative Wind-down Amount (collectively, the "**Closing Payment**"). The Monitor shall hold the Closing Payment in a non-interest bearing account, in trust for the benefit of Persons entitled to be paid from the Closing Payment.

(b) Following the Closing, the Monitor may utilize the Closing Payment to pay and satisfy the Priority Payments, all amounts owing under the Administration Charge, and the costs incurred in connection with the administration and wind-down of ResidualCo, in its sole discretion and without further authorization from the Company or the Purchaser. Any unused portion of the Closing Payment shall be returned by the Monitor to the Purchaser.

(c) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of the Company and the Purchaser acknowledges and agrees that: (i) the Monitor's obligations hereunder are and shall remain limited to those specifically set out in this Section 3.3; and (ii) the Monitor is acting solely in its capacity as the CCAA Court-appointed Monitor of the Company and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor's gross negligence or intentional fault. The Parties further acknowledge and agree that the Monitor may rely upon the provisions of this Section 3.3 notwithstanding that the Monitor is not a party to this Agreement.

3.4 Tax Matters

To the extent permitted by the CCAA and Applicable Law, pursuant to the Implementation Steps and the Approval and Vesting Order, at the Closing Time, all Taxes owed or owing or accrued due by any member of the Company shall be transferred to, vested in and assumed by ResidualCo, including any Taxes related to debt forgiveness arising from or in connection with the consummation of the Transaction and the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo. Any and all obligations and Liabilities arising from any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to the Closing Date, regardless of when such audit was commenced or completed, shall be transferred to and vest in ResidualCo.

ARTICLE 4
SISP, BIDDING PROCEDURES

4.1 SISP

(a) The SISP shall be conducted in accordance with the terms of the SISP Order. The Purchaser shall bring a motion for the SISP Order to be heard on or before August 21, 2025. The SISP Order shall recognize the within offer by the Purchaser and the Purchase Price: (i) as a baseline or "stalking horse bid" in respect of the Purchased Shares (the "**Stalking Horse Bid**"); and (ii) as a deemed "Qualified Bid", with an attendant right on the part of the Purchaser to participate as a bidder in any Auction. The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior bid can be obtained for the Purchased Shares and the Retained Assets, and that the within Stalking Horse Bid may or may not be the Successful Bid for the Purchased Shares and the Retained Assets.

(b) In consideration for the Purchaser's expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to a break fee in the amount of $150,000 (the "**Break Fee**"), which Break Fee shall be payable to the Purchaser in the event that the Stalking Horse Bid is not the Successful Bid.

(c) The payment of the Break Fee shall be approved in the SISP Order and shall, if payable pursuant to Section 4.1(b), be payable to the Purchaser within two (2) Business Days of the closing of the transaction contemplated by the Successful Bid.

(d) The Parties acknowledge and agree that the aggregate foregoing Break Fee amount represents a fair and reasonable estimate of the costs that will be incurred by the Purchaser as a result of preparing and entering into, and not completing the Transactions contemplated by this Agreement, and is not intended to be punitive in nature nor to discourage competitive bidding for the Purchased Shares or the Retained Assets. For certainty, the Break Fee does not form part of the Purchase Price.

(e) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Successful Bidder under the SISP, then upon selection of the Successful Bid (or, in the event that the Stalking Horse Bid is selected as the Back-up Bid, upon the closing of the transaction contemplated by the Successful Bid): (i) this Agreement shall be terminated (subject to Article 9 and the Purchaser's entitlement to the Break Fee); (ii) the Purchaser shall be entitled to the Break Fee; and (iii) neither Party hereto shall have any further Liability or obligation hereunder, except as expressly provided for in this Agreement.

(f) If no Qualified Bids are received by the Bid Deadline (other than the Stalking Horse Bid), the Company shall forthwith bring a motion to the Court to obtain the Approval and Vesting Order and, if granted, shall proceed with completing the Transaction forthwith.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Company

The Company hereby represents and warrants as of the date hereof and as of the Closing Time as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Company is a corporation incorporated and existing under the *Business Corporations Act* (Ontario) and, subject to the obtaining of the Approval and Vesting Order, has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Vesting Order.

(c) Residency. No member of the Company is a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.

5.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Company as of the date hereof and as of the Closing Time as follows, and acknowledges that the Company is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the laws of its jurisdiction of incorporation, is in good standing under such laws and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.

(c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.

(d) Litigation. There are no Legal Proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser before any Governmental Authority, which would: (i) prevent the Purchaser from paying the Purchase Price to the Company; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions contemplated by this Agreement; or (iii) which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.

(e) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.

(f) Financial Ability. The Purchaser will have, as of the Closing Date, (i) sufficient funds available for purposes of satisfying the Purchase Price and (ii) the resources and capabilities (financial or otherwise) to perform its obligations under this Agreement, including the Assumed Liabilities. The Purchaser has not, as of the date hereof, and will not have, as of the Closing Time, incurred any liability that would materially impair or adversely affect such resources and capabilities.

5.3 As is, Where is

The representations and warranties of the Company shall not survive the Closing Time. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Shares (for clarity, together with the Retained Assets) shall be sold and delivered to the Purchaser on an "*as is, where is*" basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever. Other than those representations and warranties contained herein, the Purchaser acknowledges and agrees that (a) no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, including with respect to the Purchased Shares or the Retained Assets, and (b) the Monitor has not provided any representations and warranties in respect of any matter or thing whatsoever in connection with the Transactions contemplated hereby, including with respect to the Purchased Shares or the Retained Assets. The disclaimer in this Section is made notwithstanding the delivery or disclosure to the Purchaser or its directors, officers, employees, agents or representatives of any documentation or other information (including financial projections or supplemental data not included in this Agreement). Without limiting the generality of the foregoing and unless and solely to the extent expressly set forth in this Agreement or in any documents required to be delivered pursuant to this Agreement, any and all conditions, warranties or representations, expressed or implied, pursuant to Applicable Law do not apply hereto and are hereby expressly waived by the Purchaser

ARTICLE 6
COVENANTS

6.1 Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

6.2 Application for Approval and Vesting Order

If this Agreement is determined to be the Successful Bid in accordance with the SISP, as soon as practicable following the selection of this Agreement as the Successful Bid in the SISP, the Monitor shall serve and file with the Court a motion for the issuance of the Approval and Vesting Order, seeking relief that will, *inter alia*, approve this Agreement and the Transaction, and release the officers and directors of the Company, its advisors, the CRO, the Monitor and the Monitor's counsel. The Company and the Monitor shall use their best efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchaser shall cooperate with the Monitor in its efforts to obtain the issuance and entry of the Approval and Vesting Order.

6.3 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order and the Implementation Steps), as otherwise required by

Applicable Law or provided in the Initial Order and any other orders of the Court prior to the Closing Time, or as consented to by the Purchaser, such shall consent not to be unreasonably withheld, the Company shall comply with the terms of the DIP Term Sheet and continue to maintain the Business and operations of the Company and the Retained Assets in substantially the same manner as conducted on the Effective Date and in material compliance with all Applicable Laws and Permits and Licences.

6.4 Access during Interim Period

During the Interim Period, the Company shall give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees, provided that the Purchaser shall provide the Monitor and the CRO with no less than 24 hours advance notice of any on-site inspection or investigation; and (b) the Purchaser and its representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and the customers and contractual counterparties of the Company. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the operations of the Company, and the Company shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser. The Purchaser acknowledges that the foregoing access rights are not exclusive, and the same rights shall be granted to other Qualified Bidders in the SISP.

6.5 Insurance Matters

Until Closing, the Company shall keep in full force and effect all insurance policies existing as of the Effective Date and give any notice or present any claim under any such insurance policies consistent with past practice of the Company in the ordinary course of business.

ARTICLE 7
CLOSING ARRANGEMENTS

7.1 Closing

Closing shall take place on the Closing Date effective as of the Closing Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

7.2 Implementation Steps

(a) Subject to the other terms of this Agreement and the Approval and Vesting Order, the Company shall effect the Implementation Steps on the terms and using the steps set out at Exhibit "**A**"; *provided that* the Purchaser and the Company shall cooperate to ensure that the Implementation Steps are completed in a tax efficient manner, including by revising the steps thereof as required by the Purchaser.

(b) The Purchaser and the Company shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Implementation Steps.

(c) subject to the Approval and Vesting Order, the Implementation Steps may be amended at any time and from time to time prior to the Closing Time with the prior written consent of the Monitor, the Company and the Purchaser (which consent may not be unreasonably withheld or delayed)

7.3 Closing Deliverables of the Company

At or before the Closing Time, the Company shall deliver or cause to be delivered to the Purchaser the following:

(a) a true copy of the Approval and Vesting Order, as issued and entered by the Court

(b) evidence of the completion of the Implementation Steps, including: (i) confirmation of the due incorporation and organization of ResidualCo; and (ii) evidence of the filing of the Articles of Reorganization, as set out in Section 2.1;

(c) a share certificate representing the Purchased Shares;

(d) a certificate of an officer of the Company dated as of the Closing Date confirming that all of the representations and warranties of the Company contained in this Agreement are true and correct in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Company has performed in all material respects the covenants, obligations and agreements to be performed by it prior to the Closing Time;

(e) the Organizational Documents of the Company and the corporate Books and Records; and

(f) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.4 Closing Deliverables of the Purchaser

At or before the Closing Time, the Purchaser shall deliver or cause to be delivered to the Company (or to the Monitor, as applicable), the following:

(a) the Closing Payment, in accordance with Section 3.3;

(b) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants, obligations and agreements to be performed by it prior to the Closing Time; and

(c) such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 8
CONDITIONS OF CLOSING

8.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following mutual conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

(a) Successful Bid. This Agreement shall have been designated as the Successful Bid in accordance with the terms of the SISP.

(b) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, vacated, subject to appeal, or leave to appeal and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

(c) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction.

(d) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

(e) Monitor's Certificate. The Monitor shall have delivered to the Company, Purchaser and thereafter filed with the Court, an executed certificate of the Monitor substantially in the form attached to the Approval and Vesting Order (the "**Monitor's Certificate**") confirming that all conditions to Closing have either been satisfied or waived by the Purchaser and the Company.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 8.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

8.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

(a) Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.

(b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 5.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(c) No Breach of Covenants. The Company shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing Date.

(d) Employees. Each member of the Company, as applicable, shall have terminated the employment of any Employees identified by the Purchaser in its sole discretion to be Terminated Employees and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law, shall be Excluded Liabilities or shall be Discharged pursuant to the Approval and Vesting Order.

(e) ResidualCo. Pursuant to the Approval and Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to ResidualCo or Discharged; (ii) the Excluded Liabilities shall have attached to the Excluded Assets, if any; and (iii) the Company, its Business and property shall have been released and forever Discharged of all Claims and Encumbrances (other than Retained Liabilities, if any) such that, from and after Closing the Business and property of the Company shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.

(f) Partial Termination of CCAA Proceedings. Upon Closing, the CCAA Proceedings shall have been terminated in respect of each member of the Company, its Business and property, as set out in the Approval and Vesting Order, but, for greater certainty, shall continue in respect of ResidualCo, which shall be added to the CCAA Proceedings as an applicant in accordance with the Implementation Steps.

(g) Disclaimer of Excluded Contracts. The Company shall have sent notices of disclaimer for all known Excluded Contracts, and such known Excluded Contracts shall form part of the Excluded Assets.

(h) Permits and Licenses. The Permits and Licenses shall be in good standing at the Closing Time and no material default shall have occurred under any such Permits and Licenses that remains unremedied and such Permits and Licenses shall remain in good standing immediately following and notwithstanding Closing.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 8.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Company to terminate this Agreement.

8.3 Conditions Precedent in favour of the Company

The obligation of the Company to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

(a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 7.4.

(b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.2 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.

(c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Company. Any condition in this Section 8.3 may be waived by the Company in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing. If any condition set forth in this Section 8.3 is not satisfied or performed on or prior to the Outside Date, the Company may elect on written notice to the Purchaser to terminate the Agreement.

ARTICLE 9
TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

(a) Automatically upon: (i) the selection of a Successful Bidder by the Monitor in accordance with the SISP in the event that the Purchaser is not the Successful Bidder or the Back-up Bidder; and (ii) in the event that the Purchaser is selected as the Backup Bidder, upon the completion of the transaction contemplated by the Successful Bid;

(b) by the mutual written agreement of the Company (with the consent of the Monitor) and the Purchaser;

(c) by the Company (with the consent of the Monitor) or the Purchaser, if the conditions set forth in Section 8.1 are not satisfied or waived on or before the Outside Date; provided that the failure to satisfy such conditions by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement;

(d) by the Purchaser, if there has been a material violation or breach by the Company of any agreement, covenant, representation or warranty of the Company in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.1 or 8.2, by the Outside Date and such violation or breach has not been waived by the Company or cured within five (5) Business Days after written notice thereof from the Purchaser to the Company;

(e) by the Purchaser, if the Company fails to satisfy any of the conditions set forth in Section 8.2 on or before the Outside Date, and such conditions are not waived by the Purchaser;

(f) by the Parties if (i) the Approval and Vesting Order has not been obtained by November 14, 2025 or (ii) the Court declines at any time to grant the Approval and Vesting Order; in each case for reasons other than a breach of this Agreement by the Party proposing to terminate this Agreement;

(g) by the Company (with the consent of the Monitor), if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.1 or 8.3 by the Outside Date and such violation or breach has not been waived by the Company or cured within five (5) Business Days after written notice thereof from the Company to the Purchaser; or

(h) by the Company (with the consent of the Monitor), if the Purchaser fails to satisfy any of the conditions set forth in Section 8.3 on or before the Outside Date, and such conditions are not waived by the Company.

9.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of: (a) this Section 9.1(h); and (b) Section 4.1 with respect to the Purchaser's entitlement to the Break Fee. Notwithstanding the foregoing, if this Agreement is terminated by the Company pursuant to Section 9.1(b), (c), (f) or (g), the Purchaser shall not be entitled to receive the Break Fee and nothing in this Agreement shall absolve the Purchaser of liability for the violation or breach giving rise to such termination.

ARTICLE 10
GENERAL

10.1 Access to Books and Records

For a period of two years from the Closing Date or for such longer period as may be reasonably required for ResidualCo (or any trustee in bankruptcy of the estate of the ResidualCo) to comply with Applicable Law, the Purchaser shall, and shall cause the Company to, retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, ResidualCo (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the ResidualCo, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

10.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

(a) in the case of the Purchaser, as follows:

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

Attention: Alexey Golubovich
Email: golubovich@arbatcapital.com

with a copy to:

Miller Thomson LLP
40 King Street West, Suite 6600
Toronto, ON M5H 4A9

Attention: Matthew Cressatti
Email: mcressatti@millerthomson.com

(b) in the case of the Company, as follows:

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

Attention: Maxim Lojevsky, Chief Restructuring Officer
Email: maxim@bluegrovecm.com

(c) in each case, with a further copy to the Monitor as follows:

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

Attention: Jason Kanji / Jesse Cooper
Email: Jason.Kanji@doane.gt.ca / Jesse.Cooper@doane.gt.ca
with a copy to:

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

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

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

10.3 Public Announcements

The Company shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser advises the Company in writing as being confidential, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings, and the virtual data room established in connection with the SISP. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Company or any of its Affiliates under Applicable

Law or stock exchange rules, the Parties shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

10.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

10.5 Survival

None of the representations, warranties or covenants of any of the Parties set forth in this Agreement or in any document executed in connection with this Agreement shall survive the Closing; save and except for any covenant that, by its terms, is to be performed after Closing.

10.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo, provided that no consent, waiver or agreement of ResidualCo shall be required for any amendment of this Agreement.

10.7 Entire Agreement

This Agreement and the attached Exhibit and Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any material respect except by written instrument executed by the Company and the Purchaser and with the approval of the Monitor or the Court.

10.8 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.9 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of Ontario therefrom.

10.10 Assignment

(a) This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, with the prior written consent of the Company, ResidualCo or the Monitor, not to be unreasonably withheld, provided that: (i) the Purchaser provides prior notice of such assignment to the Company and the Monitor; and (ii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment.

(b) Except as specifically contemplated herein as it relates to ResidualCo, this Agreement may not be assigned by the Company without the consent of the Purchaser.

10.11 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

10.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

10.13 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

10.14 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith.

10.15 Monitor's Capacity

In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in the CCAA Proceedings, the Company and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Company and not in its personal or corporate capacity, will have no Liability, in its personal or corporate capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Monitor.

[*Signature Page Follows*]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

For the Purchaser:

ARBAT CAPITAL GROUP LTD.

Подписант:
Alexey Golubovich
3856BACE1F23499...

By: ________________________________

Name: Alexey Golubovich
Title: Authorized Signatory

I have authority to bind the Corporation.

For the Company:

THE SECOND CUP COFFEE COMPANY INC.

Signed by:
Maxim Lojevsky
63FFFB53CC4F4FB...

By: ________________________________

Name: Maxim Lojevsky
Title: Chief Restructuring Officer

I have authority to bind the Corporation.

EXHIBIT "A"
IMPLEMENTATION STEPS

The Parties agree that this Exhibit "A Error! Reference source not found.**" remains subject to further revision no less than two (2) days prior to Closing.**

1. At least five (5) days prior to the Closing Date, the Company shall incorporate ResidualCo, with no issued and outstanding shares.

2. At least one (1) day prior to the Closing Date, the Purchaser shall pay to the Monitor's counsel the Closing Payment, to be held in trust and released in accordance with these Implementation Steps.

3. Upon the issuance of the Monitor's Certificate, the following steps shall take place, and shall be deemed to take place, sequentially, beginning at the Closing Time, pursuant to the Approval and Vesting Order:

   (a) ResidualCo shall be added to the CCAA Proceedings as a debtor company;

   (b) all Employees designated by the Purchaser as Terminated Employees, if any, will be terminated by the Company;

   (c) the Excluded Assets and Excluded Liabilities shall transfer to, and vest in, ResidualCo in the same nature and priority as they had immediately prior to transfer;

   (d) the Articles of Reorganization for the Company shall be filed with the applicable Governmental Authority, and shall be deemed to be effective;

   (e) the Company shall issue the Purchased Shares to the Purchaser;

   (f) the Existing Shares shall be redeemed and cancelled for no consideration pursuant to the Approval and Vesting Order and the Articles of Reorganization;

   (g) the Closing Payment shall be released to the Monitor in partial satisfaction of the Purchase Price, and from the Closing Payment the Monitor shall pay the Priority Payments, if any, and shall otherwise utilize the Closing Payment in accordance with this Agreement;

   (h) Closing shall be deemed to have occurred;

   (i) any and all Liabilities arising from or relating to: (i) the transactions noted above; (ii) the change of control resulting from the transactions noted above; and (iii) the transfer of the Excluded Contracts and Excluded Liabilities to ResidualCo; including, for certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, shall be transferred to ResidualCo and the Company shall have no obligations in connection with such Liabilities or Taxes;

   (j) the Company shall cease to be a debtor company subject to the CCAA Proceedings.

SCHEDULE "A"
EXCLUDED ASSETS

1. Inventory and assets sold in the ordinary course of Business in the Interim Period.

2. Excluded Contracts.

   [**Note: Balance of schedule to be completed prior to Closing.]**

SCHEDULE "B"
EXCLUDED CONTRACTS

[**Note: Schedule to be completed prior to Closing.]**

SCHEDULE "C"
EXCLUDED LIABILITIES

[**Note: Schedule to be completed prior to Closing.]**

SCHEDULE "D"
PERMITTED ENCUMBRANCES

[**Note: Schedule to be completed prior to issuance of Approval and Vesting Order.]**

SCHEDULE "E"
SISP AND BIDDING PROCEDURES

[NTD: To be completed]

SCHEDULE "F"
RETAINED LIABILITIES

[**Note: Schedule to be completed prior to Closing.]**

SCHEDULE "G"
RETAINED CONTRACTS

[**Note: Schedule to be completed prior to Closing.]**

Appendix J

The Second Cup Coffee Company Inc.
Extended Cash Flow Forecast
Beginning the Week of October 12, 2025

Doane Grant Thornton

For the week beginning In CAD	Forecast Week 14-21 Cumulative	Actual Week 14-21 Cumulative	Variance Week 14-21 Cumulative	2025/Oct/12 Forecast Week 22	2025/Oct/19 Forecast Week 23	2025/Oct/26 Forecast Week 24	2025/Nov/02 Forecast Week 25	TOTAL (Cumulative Actual + Forecast)
Cash Receipts								
Franchise Collections	65,300	89,047	23,747	-	-	-	-	147,342
A/R Collections	136,600	37,105	(99,495)	53,000	-	-	-	145,407
Miscellaneous Receipts	300	304	4	100	-	100	-	2,140
Total Cash Receipts	**202,200**	**126,457**	**(75,743)**	**53,100**	**-**	**100**	**-**	**294,889**
Cash Disbursements								
Operational Stability Costs								
Suppliers	-	1,634	1,634	-	-	-	-	94,520
Contractors	-	-	-	-	-	-	-	8,559
Labour								
Payroll/Expenses	53,200	46,836	(6,364)	-	7,100	-	7,100	156,643
Source Deductions	42,600	30,619	(11,981)	-	3,886	-	3,886	79,923
Contractors	23,300	19,178	(4,122)	4,900	-	9,200	-	68,375
Benefits	7,400	7,976	576	-	200	2,700	200	26,855
Leases								
Rent	10,600	10,626	26	-	-	5,300	-	31,558
Vehicle Lease	7,200	7,010	(190)	-	-	3,600	-	18,951
Warehouse Storage	2,000	3,708	1,708	-	-	1,000	-	7,365
Self-Serve Storage	1,200	1,164	(36)	-	-	600	-	5,408
Operational								
Suppliers	15,000	50,360	35,360	2,500	2,500	2,500	2,500	304,478
Freight	12,500	2,491	(10,009)	-	-	-	-	2,518
Subscriptions	2,800	3,020	220		200	800	800	12,487
Insurance	2,100	700	(1,400)	-	-	-	700	6,336
Travel	2,400	4,828	2,428	300	300	300	300	12,909
Advertising/Marketing	800	361	(439)	-	-	400	-	1,844
Cleaning Expenses	-	-	-	-	-	-	-	-
Phone/Internet	800	866	66	-	-	400	-	2,202
Total Cash Disbursements	**183,900**	**191,376**	**7,476**	**7,700**	**14,186**	**26,800**	**15,486**	**840,929**
Financing Disbursements								
BMO Interest	8,600	8,546	(54)	-	-	4,300	-	25,472
DIP Interest	23,200	-	(23,200)	-	-	-	-	-
Total Financing Disbursements	**31,800**	**8,546**	**(23,254)**	**-**	**-**	**4,300**	**-**	**25,472**
Professional Fees	440,000	285,634	(154,366)	-	150,000	75,000	74,365	928,998
Total Professional Fees	**440,000**	**285,634**	**(154,366)**	**-**	**150,000**	**75,000**	**74,365**	**928,998**
Total Cash Disbursements	**655,700**	**485,556**	**(170,144)**	**7,700**	**164,186**	**106,100**	**89,851**	**1,795,399**
Net Cash Flows	**(453,500)**	**(359,099)**	**94,401**	**45,400**	**(164,186)**	**(106,000)**	**(89,851)**	**(1,500,511)**
Cash from Interim Financing								
DIP Financing	458,380	452,294	(6,086)	96,887	-	109,199	-	1,500,000
	-							
Opening Cash Balance	16,278	16,278	-	109,473	251,760	87,574	90,773	1,432
Closing Cash Balance	**21,158**	**109,473**	**88,315**	**251,760**	**87,574**	**90,773**	**921**	**921**

Disclaimers:

1. This statement of projected cash flow of The Second Cup Coffee Company Inc. (the "**Company**") is prepared by the debtor in accordance with s. 23(1)(b) of the Companies Creditors' Arrangement Act ("**CCAA**").

2. The Company has prepared this October 20 Cash Flow, on probable and hypothetical assumptions that reflect the Company's planned course of action for the period of the next 4 weeks to allow for the Closing of the Transaction pursuant to the SISP. Management is of the opinion that, as at the date of filing the October 20 Cash Flow, the assumptions used to develop the projection represent the most probable set of economic conditions facing the Company and that the assumptions used proved a reasonable basis for and are consistent with the purpose of this October 20 Cash Flow.

3. The October 20 Cash Flow has been prepared by the Company and has been reviewed by the Monitor. The Monitor has not verified or confirmed certain projected expenses incurred by the Company which are reflected in this October 20 Cash Flow.

4. The information contained in the October 20 Cash Flow is subject to changing assumptions and/or receipt of new or additional information; actual results may vary. This October 20 Cash Flow should not be used for any other purpose than its stated purpose, and creditors are cautioned that the information provided in the cash flow could vary based on changing future circumstances.

Notes and Assumptions:

1. The purpose of this October 20 Cash Flow is to estimate the liquidity requirement of the company until the Closing of the Proposed Transaction.
2. The Company has completed a review of historical performance on new sales and collections of accounts receivable and has forecasted the same based on the assumptions cash receipts will mirror more recent historical performance, post CCAA filing.
3. Similarly operational costs have been estimated based on a review of accounts payable, existing purchase orders and historical operational costs.
3. The Company does not anticipate any further payments towards pre-filing arrears.
4. The Company will continue to maintain its Bank of Montreal line of credit interest payments current throughout the CCAA proceedings and this October 20 Cash Flow period.
5. Professional Fees include legal and financial advisors associated with the CCAA Proceedings and are based on estimates provided by the advisors.
6. Forecasted DIP Financing is based on funding requirements and maintaining a positive balance throughout the extended period.

Signed by:

Per: Maxim Lojevsky

Maxim Lojevsky, Chief Restructuring Officer

Appendix K

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

ARBAT CAPITAL GROUP LTD.

Applicants

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

FEE AFFIDAVIT OF JASON KANJI

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

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

2. Attached and marked as **Exhibit "A"** to this affidavit is a detailed billing setting out the fees and disbursements of GTL incurred in its role as Monitor of the Company from March 1, 2025, to September 30, 2025, in the total amount of $343,602.89 plus HST of $44,668.37, totaling $388,271.26, and such is summarized on Exhibit "**B**" to this my affidavit. The average hourly rate is $419.69.

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

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

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 20th day of October 2025 Commissioner for Taking Affidavits, etc. **Jonathan David Krieger,** **a Commissioner, etc., Province of Ontario,** **for Grant Thornton Limited.** **Expires February 11, 2026**	JASON KANJI

Exhibit "A" to the Affidavit of Jason Kanji,
sworn before me this 20th day of October 2025

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

ARBAT CAPITAL GROUP LTD.

Applicants

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

BILLING

BN 12738 4717 RT0001
Client #523067
Invoice#LSON-11912

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

Date	Full Name	Time	Detail
March 1, 2025	Jason Kanji	1.00	Calls with MT and Correspond with team re: filing.
March 3, 2025	Jesse Cooper	0.20	Internal planning re: next steps.
March 3, 2025	Kimberly Parmassar	0.30	Corporate record search.
March 3, 2025	Michael Dellaire	0.10	Internal discussion re: File briefing.
March 4, 2025	Michael Dellaire	0.30	Initial review of financial model.
March 10, 2025	Jason Kanji	2.00	Review and prepare response on SC matters.
March 18, 2025	Jesse Cooper	3.00	Review of RCGT resignation letter and compare with documents received from the Company and documents provided to counsel; Discussions with team thereto; Prepare summary of resignation letter.
March 19, 2025	Jesse Cooper	0.10	Discussion with team re: resignation letter summary.
April 20, 2025	Jason Kanji	0.50	Prepare for and attend call with counsel.
April 21, 2025	Jason Kanji	0.50	Correspond with Company.
April 28, 2025	Jason Kanji	0.50	Correspond with counsel; Review bank statements.

Date	Full Name	Time	Detail
April 30, 2025	Jason Kanji	1.30	Prepare for and attend call with counsel; Discussion with team on cash flow preparation.
April 30, 2025	Jesse Cooper	0.50	Internal discussions with J. Kanji re: next steps and cash flow modelling; Internal discussions and planning with M. Dellaire thereto.
April 30, 2025	Michael Dellaire	6.20	File briefing; Internal file discussions; Bank statement analysis; Create bank statement analysis workbook; Work on historic cash flow.
May 1, 2025	Jesse Cooper	0.80	Review cashflow and bank analysis worksheet; Call with M. Dellaire to walkthrough historical cashflows and discuss projections.
May 1, 2025	Michael Dellaire	6.10	Work on cash flow; Complete first draft of historical cash flow model; Correspond internally thereof; Internal call to review same and discuss cash flow forecast; Draft updated cash flow forecast; Correspond internally re: Same.
May 2, 2025	Michael Dellaire	2.50	Internal call re: Cash flow forecast; Update cash flow thereof; Finalize cash flow and correspond internally re: Same.
May 6, 2025	Jesse Cooper	0.30	Discussion re: cashflow and review thereto.
May 6, 2025	Michael Dellaire	2.00	Internal meeting to discuss cash flow forecast; Update cash flow forecast thereof; Internal correspondence re: Same.
May 7, 2025	Jason Kanji	1.50	Prepare and review of cash flow statements.
May 7, 2025	Jesse Cooper	0.30	Review revised cashflow and emails thereto.
May 7, 2025	Michael Dellaire	2.10	Update cash flow forecast; Correspond internally thereof; Review updated cash flow.
May 8, 2025	Jason Kanji	2.00	Prepare for and attend update call with Shareholders and Counsel. Meeting with team re: pre-filing matters.
May 8, 2025	Jesse Cooper	0.50	Discussion re: next steps and pre-filing matters; Review and internal correspondence.
May 8, 2025	Michael Dellaire	3.30	Internal meeting to discuss cash flow, pre-filing report, and CCAA plan; Prepare meeting notes and correspond internally thereof; Update cash flow forecast per discussion; Correspond internally re: Same.
May 9, 2025	Jesse Cooper	2.00	Review of information and correspondence; Work on draft CCAA pre-filing report outline.
May 9, 2025	Michael Dellaire	4.10	Work on CCAA budget; Work on CCAA schedule; Internal correspondence re: CCAA matters; Update cash flow forecast per internal discussion; Correspond internally thereof.
May 12, 2025	Jason Kanji	1.00	Correspond with counsel on filing matters.
May 12, 2025	Jesse Cooper	1.30	Work on pre-filing report outline; Attend planning call with Company counsel and debrief.

Date	Full Name	Time	Detail
May 12, 2025	Michael Dellaire	3.60	Complete CCAA schedule and budget; Correspond internally thereof; Prep for meeting with MT; Meeting with MT; Post-meeting discussions; Correspond with MT re: 10 Day Cash Flow; Prepare same; Correspond internally thereof; Attend to correspondence.
May 13, 2025	Ada Shahini	0.20	Set up website and placed on hold; Reached out to IT to have redirection to shorter URL.
May 13, 2025	Jason Kanji	3.50	Prepare for and attend meeting with Applicant and Counsel; Discussions with team re: filing matters. Language re: initial order; Review of cash flows.
May 13, 2025	Jesse Cooper	4.00	Revise and work on cashflow; Internal discussions thereto; Review and read draft Affidavit; Attend professionals planning call; Work on draft communication plan; Internal planning discussions with team re: next steps.
May 13, 2025	Michael Dellaire	3.10	Review draft affidavit; Prep for meeing with legal counsel; Internal discussion re: Next steps; Work on draft document request list; Meeting with MT re: Cash flow and other pre-filing matters; Complete draft document request list; Internal correspondence thereof.
May 14, 2025	Ada Shahini	0.20	Communicated with IT re: website redirection and shorter URL; Updated team of same.
May 14, 2025	Jason Kanji	1.50	Discussions with counsel re: filing matters; Prepare document request list for same; Discussions with team re: filing and day 1 matters.
May 14, 2025	Jesse Cooper	3.00	Review background information; Work on communication plan; Work on document request list for CCAA; Work on email to employees; Internal discussions and planning; Correspondence re: case website.
May 15, 2025	Jason Kanji	2.00	Prepare for and attend meeting with J. Ragas; Review of affidavit; Correspond with team on pre-filing report; Calls with counsel.
May 15, 2025	Jesse Cooper	3.50	Attend call with the Debtor re: cashflow discussions; Call with counsel re: pre-filing report; Call with J. Kanji thereto; Work on pre-filing report; Internal discussions with team re: cashflow and report.
May 15, 2025	Kimberly Parmassar	0.50	Corporate record search.
May 15, 2025	Michael Dellaire	4.40	Attend to correspondence; Review required filing documents; Review affidavit; Call with management; Post meeting internal discussion; Prepare meeting notes; Internal discussion thereof; Correspond with MT and D. Salter thereof; Work on draft filing documents; Coordinate PPSA and corporate profile reports; Internal discussion re: Cash flow; Update cash flow per discussion.

Date	Full Name	Time	Detail
May 16, 2025	Jason Kanji	3.00	Review and amendments to pre-filing report; Correspond with counsel on same.
May 16, 2025	Jesse Cooper	3.00	Review, internal discussions, and provide comments/edits to pre-filing report; Work on draft communication plan; Correspondence thereto; Review pre-filing documents and correspondence.
May 16, 2025	Michael Dellaire	2.90	Work on filing materials; Internal call re: Report and communication plan; Various internal correspondence; Draft newspaper ad.
May 17, 2025	Jason Kanji	1.00	Review matters pertaining to filing of report, cashflow and application materials. Review of communication plans.
May 17, 2025	Jesse Cooper	1.00	Review revised affidavit and compare with report; Update report for any corresponding updates; Internal discussions thereto.
May 17, 2025	Michael Dellaire	0.40	Attend to correspondence; Update table for Pre-Filing Report.
May 18, 2025	Jason Kanji	4.00	Review of motion materials; Review of communication plan. Correspond with counsel on application materials. Update and Review draft pre-filing report.
May 18, 2025	Jesse Cooper	1.50	Finalize draft pre-filing report and send to counsel; Internal discussions thereto; Work on draft communication plan.
May 18, 2025	Michael Dellaire	0.40	Update pre-filing report; Various internal correspondence thereof.
May 19, 2025	Jason Kanji	1.50	Calls with counsel on application materials.
May 19, 2025	Jesse Cooper	1.20	Internal discussions re: communications plan; Finalize draft communications plan; Email to the Company thereto.
May 19, 2025	Michael Dellaire	0.30	Attend to correspondence; Correspond internally re: Communication Plan.
May 20, 2025	Jason Kanji	3.00	Numerous calls with counsel re: application materials and report.
May 20, 2025	Jesse Cooper	0.50	Emails with the Company; Review correspondence; Internal discussions with team re: next steps.
May 20, 2025	Michael Dellaire	3.50	Review pre-filing materials; Internal discussion thereof; Attend to correspondence; Various internal discussions re: Day One plans; Review affidavit re: Creditors; Create creditor summary; Complete draft filing documents; Draft newspaper ad; Draft insolvency insider ad; Internal correspondence thereof.
May 21, 2025	Ada Shahini	0.20	Updated the language on the website and responded to teams emails.
May 21, 2025	Jason Kanji	6.00	Prepare for an attend call with client re: communication plans; Review and update report; Calls with counsel on application matters. Calls with CRO on operational matters.

Date	Full Name	Time	Detail
May 21, 2025	Jesse Cooper	3.70	Attend call with the Company shareholders; Revise and work on communications plan; Review filing forms; Review newspaper Ad and II Ad and provide comments; Internal discussions with team re: next steps; Prepare draft website write-up; Discussions re: website; Finalize draft communication plan and email to Company; Internal planning re: Court and post-appointment.
May 21, 2025	Michael Dellaire	4.40	Various internal discussions re: Assets and liabilities; Internal discussions re: Newspaper ads; Analysis of assets and liabilities; Complete draft filing forms; Correspond internally thereof; Meeting with the Company re: Communication Plan; Prepare meeting notes thereof; Prepare appendices for Pre-Filing Report; Correspond internally thereof; Update cash flow; Update report and appendices thereof; Attend to correspondence; Draft case website blurb; Various internal discussions re: Day 1 plans; Internal discussion re: Creditors list; Attend to correspondence.
May 21, 2025	Rosa Wilford	1.10	Prepare bank forms to setup new CAD bank account; Bank letters; Correspondences to and from Bank; re activation/confirmation on new request and on-line access; Setup account estate in ascend. Prepare letter for incoming wire payments; Notify team; Save to server; Emails. Review correspondences from bank on documents for opening new account; Meet with team for authorized review and signing by two Trustees re Product Consent Form; Scan to server; Respond to bank; Emails.
May 22, 2025	Harvey Han	1.00	Review and rename the documents; Updated on the documents on the website; Changed the blurb; Made the website go live. Revise and review the service lists; Update on the website.
May 22, 2025	Jason Kanji	5.00	Prepare for and attend hearing; Correspond with company and CRO re: operational matters; Calls with counsel re: operational matters; Discussions with team re: client meeting.
May 22, 2025	Jesse Cooper	7.50	Internal discussions re: planning and next steps; Work on and review filing documents; Finalize stakeholder communications; Call with Company counsel and planning with team; Attend Company site and coordinate document request items and discussion; Work with Company on document request items and stakeholder communications, etc.; debrief call with J. Kanji.

Date	Full Name	Time	Detail
May 22, 2025	Michael Dellaire	9.20	Internal discussions re: Day one planning; Draft notice to creditors; Correspond internally thereof; Internal meeting post initial hearing to discuss next steps; Review and update emails to stakeholders; Update filing forms; Coordinate filing thereof; Correspond internally re: Newspaper ad; Internal discussions re: CRA matters; Update blurb for Insolvency Insider blurb; Correspond with editor thereof; Coordinate uploads to case website; Coordinate plan for Day 1; Purchase hard drive for document collection; Travel to the company's head office; Initial meeting with the company; Aid the company with sending stakeholder emails; Detailed review of document request list; Various discussions re: Day One requirements; Internal calls re: File updates; Attend to correspondence.
May 22, 2025	Rosa Wilford	1.50	Prepare bank documents to setup new USD bank account; Bank letters; Correspondences to and from Bank; re activation/confirmation on new request and on-line access; Setup account estate in ascend. Prepare letter for incoming wire payments; Notify team; Save to server; Emails. Review correspondences from bank on documents for opening new account; Meet with team for authorized review and signing by two Trustees re Product Consent Form; Scan to server; Respond to bank; Emails.
May 23, 2025	Azeem Manzoor	5.50	Prepare creditors list.
May 23, 2025	Jason Kanji	6.50	Review of operational matters; Correspond with CRO; Address payroll matters; Employee Townhall; Calls with counsel re: comeback hearing matters; Calls with team re; cash flow matters and operational matters.
May 23, 2025	Jesse Cooper	8.80	Attend client site for planning, document intake, document review, and discussions with Company management; Attend to bank statement, CRA, and other matters; Various discussions and planning re: receivables, payables, and cashflows; Work on first report; Discussions with employees; Internal calls and emails re: planning and next steps.

Date	Full Name	Time	Detail
May 23, 2025	Michael Dellaire	13.00	Travel to the Company; Attend to correspondence; Coordinate employee town hall; Various correspondence and calls re: Creditors list; Various discussions with the Company re: Documents; Attend town hall; Discussions with the Company re: AR and payroll; Detailed review of AP and AR with the Company; Internal discussions thereof; Build updated cash flow with the Company; Internal correspondence thereof; Draft AR analysis; Internal correspondence thereof.
May 23, 2025	Rosa Wilford	0.80	Various correspondences with team/bank on expecting wire and USD account setup.
May 24, 2025	Jason Kanji	3.00	Draft report; Review of cashflows; Calls with counsel on application matters.
May 24, 2025	Jesse Cooper	4.00	Work on first report; Review Company records; Review correspondence; Review court documents; Internal correspondence with team.
May 24, 2025	Michael Dellaire	4.20	Attend to correspondence; Internal correspondence re: Cash Flow; Work on updating cash flow forecast worksheet.
May 25, 2025	Jason Kanji	2.00	Draft of report; Review of financial model.
May 25, 2025	Jesse Cooper	3.00	Review company documents and correspondence; Review and work on First Report; Internal discussions re: planning and First Report.
May 25, 2025	Michael Dellaire	11.50	Internal call to discuss cash flow; Update cash flow thereof; Various internal correspondence re: Contractors and report; Complete updated draft of cash flow; Correspond internally thereof; Review comments on cash flow; Update cash flow per comments; Correspond with CRO re: Draft cash flow forecast.
May 26, 2025	Ada Shahini	0.20	Added a folder called Notices to Creditors and added the List of creditors; Responded to teams' email.
May 26, 2025	Jason Kanji	6.50	Update and amend report; Several calls with counsel on application matters; Calls with DIP Lender and CRO on operational matters.
May 26, 2025	Jesse Cooper	6.40	Internal discussion with team re: first report; Work on First Report; Attend call with the CRO to walk through bank account and QuickBooks access as well as general operational matters; Review QuickBooks reports; Review cash flow; Prepare draft claims process schedules; Emails with Company counsel.

Date	Full Name	Time	Detail
May 26, 2025	Michael Dellaire	6.10	Internal discussions re: Newspaper ad and notice to creditors; Prep for meeting with shareholders; Meeting with shareholders re: Banking matters and cash flow; Update cash flow and correspond with shareholders thereof; Update creditors list; Update notice to creditors; Correspond internally thereof; Attend to correspondence; Internal discussion re: Notice to claimants; Updates to creditors list; Coordinate upload to case website; Create tables for First Report; Review and update First Report; Various internal discussions thereof.
May 27, 2025	Azeem Manzoor	5.50	Prepare AR sheet; Resort the data; Prepare New AR sheet based on region.
May 27, 2025	Harvey Han	0.20	Review and rename the service list; Update the service list as requested.
May 27, 2025	Jason Kanji	7.50	Review of comments on report and incorporate same; Calls with counsel on Application materials; Review and comment on application materials.
May 27, 2025	Jesse Cooper	4.00	Review comments from Applicant counsel; Work on and layer in comments to First Report; Emails re: insurance policy; Update call with the CRO and shareholders; Review company operating information; Emails with the employees; Discussions re banking matters; Review counsel's comments and internal discussions thereto; Draft communication to insurance company.
May 27, 2025	Michael Dellaire	4.80	Internal discussion re: Insurance; Internal meeting to discuss cash flow; Update cash flow forecast thereof; Correspond with legal counsel re: Updated cash flow; Various correspondence and discussions re: First Report; Updates to the First Report; Review of legal materials; Review legal counsel's comments on First Report; Update First Report thereof.
May 28, 2025	Ada Shahini	1.20	Uploaded the e-service list contact for the service keeper, Notice to creditors, Motion Record, Replaced creditor list, Monitor's first report, Factum on the website and website folder on the server; Responded to teams emails.
May 28, 2025	Jason Kanji	2.00	Finalize report; Calls on litigation matters.

Date	Full Name	Time	Detail
May 28, 2025	Jesse Cooper	5.30	Review counsel comments and revise report; Planning discussions with team re: report and next steps; Review of report and appendices to prepare for filing; Review second Golubovich affidavit; Call with the Company to facilitate payroll; Review QuickBooks data; Internal discussions re: receivables and cash flow; Calls and correspondence with BMO re: bank account access; Review BMO account details; Update creditor list; Emails re: case website.
May 28, 2025	Michael Dellaire	4.70	Various internal discussions re: Funding and payroll; Correspond internally re: Signed cash flow forecast; Update appendices for First Report; Correspond internally thereof; Coordinate uploads of materials to case website; Review AR list analysis; Update creditors list and correspond internally thereof; Correspond with CRO re: AP; Work on building budget to actual variance analysis workbook.
May 28, 2025	Rosa Wilford	1.80	On-line banking through-out the week and monitor account for expecting incoming wire/ print screens; Notify team on funds received; Prepare receipt requisition form; Post deposit entries, print slip and stamp date for signing. Prepare requested out going USD wire payment/bank letter; Set-up accrual entries; Correspondences to and from Bank for authorization of wire transfer/confirmation; Fax; Respond to email/phone call from Bank to authenticate wire; Post disbursement and payment entries; Print and attach transaction report; Provide team with wire confirmation.
May 29, 2025	Ada Shahini	0.40	Uploaded the ARIO and Claims Identification Orders and endorsement of Justice Cavanagh, Updated the language on the website and website folder on the server; Responded to teams' emails.
May 29, 2025	Jason Kanji	2.00	Prepare for and attend court hearing; Calls with counsel; Meeting with team to discuss order.
May 29, 2025	Jesse Cooper	2.50	Emails re: DIP financing; Emails re: insurance policy; Call with insurance broker and correspondence thereto; Call with bank re: receipt of wire; Review updates to case website and correspondence thereto; Review of critical payments to go out and prepare summary thereto; Review claims procedure.

Date	Full Name	Time	Detail
May 29, 2025	Michael Dellaire	3.80	Internal discussions re: Payroll and DIP funds; Internal discussions re: Employee termination; Review signed Orders; Coordinate claims process; Draft updated case website blurb; Internal discussions thereof; Work on budget to actual workbook; Internal discussion re: claims process and operational matters.
May 30, 2025	Jesse Cooper	0.50	Emails re: banking matters; Calls re: wire details and funds transfer; Internal emails re: BMO account; Call with BMO.
May 30, 2025	Michael Dellaire	3.10	Review banking transaction; Correspond internally thereof; Coordinate newspaper posting re: Claims Notice; Work on cash flow monitoring worksheet.
May 30, 2025	Rosa Wilford	0.70	Respond to phone call from Bank/emails re same. Notify team for directions; Further communications with team/bank and assistance on re-sending wire payment.

Time Summary

J. Kanji, Vice President	70.30	hours @	$ 755.00	per hour	$	53,076.50
J. Cooper, Manager	72.40	hours @	$ 420.00	per hour	$	30,408.00
A Shahini, Manager	2.40	hours @	$ 355.00	per hour	$	852.00
R. Wilford, Manager	5.90	hours @	$ 350.00	per hour	$	2,065.00
K. Parmassar, Sr. Associate	0.80	hours @	$ 260.00	per hour	$	208.00
M. Dellaire, Associate	110.20	hours @	$ 245.00	per hour	$	26,999.00
H. Han, Associate	1.20	hours @	$ 245.00	per hour	$	294.00
A Manzoor, Analyst	11.00	hours @	$ 190.00	per hour	$	2,090.00
	274.20				$	115,992.50
5% Technology and Administration					$	5,799.63
Disbursements						
Hardrive					$	129.99
HST (13%)					$	15,849.87
Total Invoice Due					**$**	**137,771.99**

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

ARBAT CAPITAL GROUP LTD.

Applicants

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

BILLING

BN 12738 4717 RT0001
Client #523067
Invoice#GT000000322

To professional services rendered as Court Appointed CCAA Monitor for the period from June 1, 2025 to September 30, 2025.

Date	Name	Hours	Detail
June 2, 2025	Jason Kanji	1.00	Address operational matters; Review of financial information and cash flow.
June 2, 2025	Jesse Cooper	2.50	Internal discussions re: cashflow monitoring; Review upcoming payments and correspondence thereto; Call with Company re: payroll and payments; Attend call with Company re: supplier details and orders; Call with BMO re: bank account; Internal discussions.
June 2, 2025	Michael Dellaire	1.20	Internal discussions re: Various file matters; Correspond internally re: Contractor arrears; Internal discussions re: Claims Order requirements; Work on monitoring workbook.
June 3, 2025	Jason Kanji	1.00	Review of operational matters; Review of financial information; Correspond with team on same; Correspond with CRO.
June 3, 2025	Jesse Cooper	0.50	Emails and correspondence with the Company re: funding, expenses, payroll, insurance, etc.

Date	Name	Hours	Detail
June 3, 2025	Michael Dellaire	4.30	Prepare expense report template; Review email matters; Coordinate claims notice mailing; Correspond internally thereof; Work on monitoring workbook; Internal discussions re: Claims and employees; Work on Employee Details workbook for client; Complete same
June 4, 2025	Jason Kanji	1.00	Call with CRO and DIP lender re; operational matters. Follow up call with MT.
June 4, 2025	Jesse Cooper	0.20	Email and review re: payments; Internal discussion thereto.
June 4, 2025	Michael Dellaire	2.50	Attend to correspondence; Meeting with the Company; Various internal discussions re: Operational matters; Review banking matters; Call with creditor re: Notice and proof of claim; Correspond with creditor thereof.
June 5, 2025	Jesse Cooper	1.00	Emails re: payments; Prepare summary of payments to go out and email thereto; Internal discussions re: cashflow planning and monitoring; Bank account monitoring; Internal discussions re: funding; Review unpaid invoices.
June 5, 2025	Michael Dellaire	2.30	Internal review of weekly operational payments to be made; Internal discussions thereof; Draft correspondence to creditor re: Claims process; Internal review and discussions re: DIP financing.
June 6, 2025	Jesse Cooper	1.50	Emails re: payments; Draft email re: DIP funding and operations; Calls re: payments.
June 6, 2025	Michael Dellaire	3.20	Attend to correspondence; Review banking matters; Internal call to review payments and discuss payment process; Calls and correspondence with M. Lojevsky re: Weekly payments; Review banking matters; Internal discussion re: Insurance payment; Call with M.
June 9, 2025	Jason Kanji	1.00	Address matters re: DIP financing; Review of critical suppliers; Call with CRO.
June 9, 2025	Jesse Cooper	0.20	Emails re: supplier payments and balances.
June 9, 2025	Michael Dellaire	4.20	Internal discussion re: Next file steps; Draft Week 3 variance report; Correspondence with CRO re: Payments; Review DIP requirements and critical supplier payments; Various internal correspondence thereof; Internal discussion re: Same.
June 10, 2025	Jason Kanji	2.00	Address funding matters; Review operational matters; Call with client. Address banking matters.
June 10, 2025	Jesse Cooper	0.20	Email re: BMO bank account; Correspondence re: payment process.
June 10, 2025	Michael Dellaire	2.00	Meeting with the Company re: Payments and insurance; Correspond internally thereof; Prep for meeting with coffee supplier; Meeting with coffee supplier and the Company; Prepare notes thereof; Correspond internally re: BMO; Correspond internally re: Contra

Date	Name	Hours	Detail
June 11, 2025	Jason Kanji	1.50	Address funding matters; Discussion with team re: operational matters and SISP matters.
June 11, 2025	Jesse Cooper	3.00	Call with interested party; Review of bank activity and discussions re: cashflow monitoring; Internal planning meeting with team; Review correspondence and future payments; Prepare summary of bank balances are upcoming payments; Emails and review
June 11, 2025	Michael Dellaire	4.50	Attend to banking matters; Internal discussion re: Claims; Draft email to CRO re: Warehouse insurance; Correspond internally re: Cash balances; Correspond with CRO re: Insurance; Review returned mail; Research contact info of creditor; Work on draft email
June 11, 2025	Rosa Wilford	0.70	On-line banking and monitor CAD and USD accounts for expecting incoming wires/ print screens; Notify team on USD funds received; Prepare receipt and disbursement requisition forms; Post deposit and bank charge entries, print slips and stamp date for signing.
June 12, 2025	Jason Kanji	1.00	Review of critical supplier payments and amended cash flow.
June 12, 2025	Jesse Cooper	2.50	Call with BMO account manager; Review BMO bank account details and online portal; Review BMO account statements; Emails thereto; Review precedent information re: SISP process and correspondence thereto; Review upcoming payments; Prepare payment detail and
June 12, 2025	Michael Dellaire	2.20	Coordinate claims mailing; Various internal correspondence re: Banking matters; Work on payment analysis.
June 12, 2025	Rosa Wilford	0.60	Review USD payment request and authorized approval from Trustee on file; Review account ledger; Prepare disbursement requisition form with support; Prepare bank letter for wire payment. Correspondences to and from Bank for authorization of wire transfer/
June 13, 2025	Jason Kanji	2.00	Discussions with counsel re: SISP matters; Call with Max re: operational matters.
June 13, 2025	Jesse Cooper	5.00	Emails and correspondence with the Company re: upcoming payments and vendor status; Revise and update payment details and schedule; Review list of payments made to employees and expense payments; Review expense reports and payment history details in Quick
June 13, 2025	Michael Dellaire	1.10	Complete payment analysis; Various internal correspondence thereof; Internal calls re: Franchise payments.

Date	Name	Hours	Detail
June 13, 2025	Rosa Wilford	0.90	Review internal email instructions from team re Banking; Review account ledgers; Prepare Bank letter for transfer between accounts re USD and CAD; Prepare disbursement and receipt requisition forms with support for review and secured signing; Post entries
June 15, 2025	Jesse Cooper	0.10	Email re: MoneyGram.
June 16, 2025	Jesse Cooper	3.20	Call with the Company re: billing and invoicing procedures; Internal review and discussion thereto; Review of upcoming payments; Review Rogers account; Review bank account status; Work on Second Report to Court; Internal discussions re: SISP and interest.
June 16, 2025	Azeem Manzoor	5.00	Assemble the potential buyers list.
June 16, 2025	Michael Dellaire	4.80	Internal discussion re: Claims mailing; Meeting with the Company re: Billing and invoicing; Post-meeting discussion; Internal discussion re: Potential Buyers List; Correspond with supplier re: Claims process; Correspond internally re: Potential Buyers List.
June 16, 2025	Rosa Wilford	1.10	Review CAD payment requests and authorized approvals from Trustee on file; Review account ledger; Prepare disbursement requisition forms with support; Prepare bank letter for wire payment; Post invoice and issue cheque. Correspondences to and from Bank
June 17, 2025	Jason Kanji	1.00	Review of revenue analysis; Connect with team on SISP matters.
June 17, 2025	Jesse Cooper	4.00	Calls and emails with the Company re: contractor payment and processes; Internal discussions re: file status and next steps; Payment planning; Review court documents; Work on Second Report; Call with MoneyGram support re: international payment;
June 17, 2025	Azeem Manzoor	6.00	Assemble the potential buyers list, Research potential buyers
June 17, 2025	Michael Dellaire	4.40	Internal discussions re: Contractor payment; Various internal discussions re: Banking matters; Create email list for creditors/vendors; Draft email to creditors re: Claims Process; Send emails thereof; Internal discussions re: Banking matters.
June 17, 2025	Rosa Wilford	1.20	Review USD / CAD payment requests and authorized approvals; Review account ledgers and prepare disbursement requisition forms with support; Prepare bank letters for wire payments. Correspondences to and from Bank for authorization of wire transfers/confirm
June 18, 2025	Jason Kanji	3.00	Review of SISP materials; Correspond with Monitor's counsel on same; Prepare for and attend call with MT re: SISP matters; Correspond with team re: SISP documentation prep and report.

Date	Name	Hours	Detail
June 18, 2025	Jesse Cooper	4.50	Review SISP and stalking horse agreement with counsel's changes; Correspondence and planning re: payments; Review critical supplier payments and prepare payment details; Correspondence with the Company thereto; Call with MT and Cassels re: SISP; Call with
June 18, 2025	Azeem Manzoor	7.50	Finalize interested party list; Discussion and review with team thereafter.
June 18, 2025	Michael Dellaire	2.50	Correspond with J. Ragas re: GoDaddy login; Review GoDaddy account; Internal discussion thereof; Correspond internally re: Same; Internal discussions re: Tax losses; Internal discussion re: Buyers List; Internal discussion re: Payments; Correspond.
June 19, 2025	Jesse Cooper	6.20	Emails with Company re: QuickBooks reporting; Calls and emails re: email backups and recovery of compromised email account; Review court documents; Review SISP; Work on Second Report to Court; Email re: cashflow planning, payroll, etc; Review partner portal
June 19, 2025	Michael Dellaire	8.10	Attend to GoDaddy email matter; Internal call thereof; Correspond with the Company thereof; Work on CIM.
June 20, 2025	Jason Kanji	1.00	Meeting with team re; Report matters; Correspond with counsel on same.
June 20, 2025	Jesse Cooper	9.30	Emails and correspondence with the Company re: QuickBooks records and reporting; Correspondence re: payroll; Internal discussions re: revenue analysis; Review revenue analysis and related documents; Work on Revised Cash Flow and assumptions thereto; Revie
June 20, 2025	Azeem Manzoor	7.50	Prepared a sales analysis for second cup, Allocating revenue by region and reviewing royalty percentages.
June 20, 2025	Michael Dellaire	7.50	Internal correspondence re: Revised ARIO cash flow; Update same; Week 5 actuals analysis; Analysis re: Currency conversions; Internal call thereof; Internal call re: BMO wire; Correspond internally re: ARIO cash flow updates; Internal calls to discuss revenue metrics.
June 20, 2025	Rosa Wilford	1.50	Prepare CAD bank letter for wire payment. Correspondences to and from team /Bank for authorization of wire transfer/confirmation; Post disbursement and payment entries; Print and attach transaction report; Provide team with wire confirmation.
June 21, 2025	Jason Kanji	2.00	Review of cash flow and report matters. Review of banking matters.

Date	Name	Hours	Detail
June 21, 2025	Jesse Cooper	2.00	Review and work on Second Report; Work on Revised Cash Flow; Internal correspondence thereto; Call with BMO re: unsecured business line; Internal discussions thereto.
June 21, 2025	Michael Dellaire	9.40	Prepare CIM; Discussions internally on same.
June 22, 2025	Michael Dellaire	2.00	Prepare CIM.
June 23, 2025	Jason Kanji	3.00	Review of Second Report; Review of cash flow matters.
June 23, 2025	Jesse Cooper	5.50	Review Second Report; Review and update Revised Cash Flow; Review banking transactions; Correspondence with the Company thereto; Review revenue analysis; Call with Company and CRO re: billing and invoicing; Calls with BMO re: account details and business.
June 23, 2025	Michael Dellaire	7.20	Internal discussion re: Affidavit of Mailing; Internal discussions re: Weekly payments and cash flow; Create template VDR; Draft Affidavit of Mailing; Correspond with BMO re: Claim; Internal discussion re: CRA Claim; Meeting with the Company re: Billing
June 24, 2025	Jesse Cooper	0.80	Correspondence re: payment planning; Review payment details; Review cash flow and email thereto; Correspondence with contractor; Emails with Company re: payments.
June 24, 2025	Azeem Manzoor	7.50	Prepared the teaser slide deck in preparation for the sale.
June 24, 2025	Michael Dellaire	3.00	Work on CIM; Finalize affidavit of mailing; Internal discussion re: CIM and Teaser; Correspond with creditor re: Claims process; Coordinate transfers to BMO account for Contractor payment; Review draft Teaser; Update Teaser; Update and review CIM; Attend
June 24, 2025	Rosa Wilford	0.50	Monitor account for expecting incoming wire/ print screens; Notify team on funds received; Prepare requisition forms; Post deposit and disbursement entries, print slip and stamp date for signing.
June 25, 2025	Jason Kanji	1.00	Discussion with team re: SISP and operational matters.
June 25, 2025	Azeem Manzoor	2.50	Internal meeting to discuss updates on buyers list and teaser; Prepared the budget to actual reporting
June 25, 2025	Michael Dellaire	5.50	Review creditor correspondence and claim; Review CIM; Internal correspondence re: Payments; Finalize CIM and Teaser; Meeting thereof; Team review of variance analysis; Update budget to actual workbook; Update Week 5 Variance Report.

Date	Name	Hours	Detail
June 25, 2025	Rosa Wilford	0.80	Review USD payment request and authorized approval from Trustee on file; Review account ledger; Prepare disbursement requisition form with support; Prepare bank letter for wire payment. Correspondences to and from Bank for authorization of wire transfer/
June 26, 2025	Jesse Cooper	0.40	Emails re: payments and BMO interest; Review of upcoming payments; Emails re: payment call; Review Venn and BMO bank activity.
June 26, 2025	Michael Dellaire	5.10	Prepare weekly payments; Coordinate BMO interest payment; Internal correspondence re: Payments; Coordinate meeting thereof; Call with supplier re: Stalled order; Review Rogers payments; Finalize Week 5 variance reporting; Prepare roll forward for Week 6;
June 27, 2025	Jesse Cooper	1.00	Attend call with the Company and CRO re: payment processing and next steps; Email to contractor; Review of upcoming payments and correspondence thereto; Email to potential creditor re: claims package and process.
June 30, 2025	Jason Kanji	1.00	Review of POC matters. Call with counsel re: server access.
July 1, 2025	Jesse Cooper	0.30	Review emails; Email to Company and CRO re: payment planning and banking; Internal correspondence thereto.
July 2, 2025	Jesse Cooper	0.50	Emails re: payroll planning; Emails and internal correspondence re: cash flow monitoring.
July 2, 2025	Azeem Manzoor	2.50	Updated and review variance report.
July 2, 2025	Rosa Wilford	1.80	Reconciliation of USD and CAD accounts for June 2025; On-line banking; Run and match to reports and sign; Post EFT Entries and prepare requisition; Provide to authorized officer for review and signing with supporting statements. On-line banking and monitor.
July 3, 2025	Jesse Cooper	1.00	Emails with company re: trademarks; Emails with the Company re: payment matters and payroll; Review of supplier payees for new purchase orders; Add new payee information to Venn system.
July 3, 2025	Azeem Manzoor	5.50	worked on and completed the variance report for week 6
July 4, 2025	Jason Kanji	0.50	Call with Max re: operational and SISP matters.
July 4, 2025	Jesse Cooper	1.00	Review payee information; Attend call with CRO and Company to facilitate payments and discuss next steps; Email with Company thereto.
July 7, 2025	Azeem Manzoor	0.50	Updated and review variance report.
July 8, 2025	Jason Kanji	1.00	Update call with counsel regarding litigation matters and SISP matters.

Date	Name	Hours	Detail
July 8, 2025	Jesse Cooper	4.60	Emails with BMO regarding LOC interest; Calls with BMO regarding business line of credit; Correspondence with Company re purchase orders; Review Rogers information and amounts owing; Attend call with the Company and CRO to discuss and process payments; In
July 8, 2025	Azeem Manzoor	4.00	Completed the variance report for week 7, and updated the sales analysis for recent months sales.
July 8, 2025	Michael Dellaire	3.60	Attend to correspondence; Internal discussion re: BMO; Meeting with Miller Thomson and CRO re: Franchise discounts; Post meeting discussion; Internal discussions re: Weekly variance reporting and royalty agreement analysis; Review BMO matter; Correspond i
July 9, 2025	Jason Kanji	1.00	Meeting with Company Counsel and re: operational matters.
July 9, 2025	Jesse Cooper	1.50	Review bank activity; Emails, correspondence, and review re: payment status and purchase orders; Email re: BMO unsecured credit; Call with BMO thereto; Emails with BMO re: LOC interest and unsecured credit.
July 9, 2025	Azeem Manzoor	1.00	Updated the sales analysis to include last period's data
July 9, 2025	Michael Dellaire	3.10	Internal correspondence re: Car lease payments; Review of employment agreement thereof; Various internal correspondence re: Sales/royalties analysis; Review worksheet; Further correspondence thereof.
July 9, 2025	Rosa Wilford	0.50	Prepare USD bank letter for wire payment. Correspondences to and from team /Bank for authorization of wire transfer/confirmation; Post disbursement and payment entries; Print and attach transaction report; Provide team with wire confirmation.
July 10, 2025	Jesse Cooper	5.50	Review Week 6 and 7 budget to actual analysis; Reconcile to Weekly cashflow; Refine and work on budget to actual analysis; Review of banking transactions and activity across all accounts; Correspondence re: contractor business trip.
July 10, 2025	Azeem Manzoor	0.20	Updated the potential buyers list to add in a new potential bidder.
July 10, 2025	Michael Dellaire	3.60	Review sales/royalties analysis worksheet; Correspond internally thereof; Correspond internally re: Car lease payments; Internal discussions re: Payments and cash flow matters; Internal review of cash flow monitoring worksheet; Internal discussion and ana
July 11, 2025	Jason Kanji	1.50	Address operational matters.

Date	Name	Hours	Detail
July 11, 2025	Jesse Cooper	3.60	Emails re: payments and purchases; Review collection report; Review banking activity; Review franchise partner emails; Update payment detail sheet; Correspondence and review re: orders list; Call with Company to facilitate contractor salary payment; Call
July 11, 2025	Michael Dellaire	0.50	Attend to correspondence.
July 14, 2025	Jesse Cooper	3.60	Review week 8 results; Emails with Company re purchases; Emails re franchise partners; Correspondence with BMO; Review and work on week 8 actual to budget analysis and internal discussions thereto; Set up claim tracker; Review and summarize claims receive
July 14, 2025	Azeem Manzoor	2.00	Updated the sales analysis to include more data, including a summary and a tracker of AR collected.
July 14, 2025	Michael Dellaire	5.10	Attend to correspondence; Internal discussion re: Weekly variance report; Complete Week 7 Reporting; Update Week 8 Reporting workbook; Various internal discussions thereof; Internal discussion re: Sale process; Complete Week 8 Reporting; Correspond intern
July 15, 2025	Jesse Cooper	3.20	Review claims received; Review QuickBooks for supplier/customer details; Review court documents; Work on summary of claims; Emails with BMO; Review banking activity and correspondence thereto.
July 15, 2025	Rosa Wilford	0.50	Review USD payment request and authorized approval from Trustee on file; Review account ledger; Prepare disbursement requisition form with support; Prepare bank letter for wire payment. Correspondences to and from Bank for authorization of wire transfer/
July 16, 2025	Jesse Cooper	0.50	Emails re banking matters; Review activity and prepare test wire.
July 17, 2025	Jesse Cooper	0.60	Emails re: payments and purchases; Emails and discussions re: vehicle lease; Update cash flow; Review banking matters; Correspondence re: wire issue; Internal correspondence re: cashflow and planning.
July 17, 2025	Michael Dellaire	0.30	Internal discussion re: BMW lease payments; Correspond with MT thereof; Correspond internally re: Weekly reporting.
July 18, 2025	Jesse Cooper	1.50	Emails with Company re: payments and next steps; Call with Company to process payments; Review banking activity; Internal correspondence and planning re: banking matters and transfers; Review emails and correspondence re: customer invoices and statements
July 21, 2025	Jason Kanji	1.00	Prepare for and attend update call with Jim, Call with CRO; Review of Sale Analysis matters

Date	Name	Hours	Detail
July 21, 2025	Jesse Cooper	3.00	Review banking activity; Emails with Company thereto; Review purchase order document; Review outstanding invoices; Prepare updated payment schedule for upcoming payments; Correspondence re: banking matters and transfer from trust account; Review cash flow
July 21, 2025	Azeem Manzoor	1.50	began to edit the sales analysis sheet to account for the updated sales and invoice numbers
July 21, 2025	Michael Dellaire	2.50	Attend to correspondence; Internal discussion re: Payment; Draft Week 9 Variance Report; Correspond internally thereof; Internal discussion re: Same; Update reporting per discussion; Internal correspondence thereof; Review documents re: VDR.
July 21, 2025	Rosa Wilford	1.20	Monitor account for expecting incoming wire/ print screens; Notify team on funds received; Prepare requisition forms; Post deposit and disbursement entries, print slip and stamp date for signing. Review CAD payment requests and authorized approvals.
July 22, 2025	Jesse Cooper	2.50	Prepare updated payment schedule; Review cash flow; Correspondence with Company re: payments and sales analysis; Internal discussions re: sales analysis; Review of sales information and contracts; Review sales analysis; Prepare summary emails thereto.
July 22, 2025	Azeem Manzoor	4.00	remade the sales analysis sheet to account for the updated invoices in the correct currency
July 22, 2025	Michael Dellaire	0.30	Attend to correspondence; Internal discussion re: Payments.
July 23, 2025	Jesse Cooper	2.00	Emails with Company re: payments and purchase orders; Correspondence with BMO re: interest and credit balance; Review payments and banking matters; Call with Company re: payments, next steps, and to process payments; Emails and review re: sales analysis.
July 23, 2025	Azeem Manzoor	0.50	Review of the royalty agreements to reconcile and updated the sheets accordingly.
July 24, 2025	Jesse Cooper	1.00	Prepare updated payment schedule; Review unpaid bills in QuickBooks; Correspondence with Company thereto; Review updated purchase order details; Internal discussions re: payment schedule; Discussions re: banking matters.
July 25, 2025	Jason Kanji	1.00	Update call with MT re; sisp and claims process matters.
July 25, 2025	Jesse Cooper	1.00	Review banking activity and cashflow; Emails and correspondence with Company re: activity, purchases, and payments; Process contractor payment; Correspondence thereto.

Date	Name	Hours	Detail
July 25, 2025	Michael Dellaire	0.50	Attend to correspondence; Review banking matters; Internal correspondence re: Court hearing.
July 25, 2025	Rosa Wilford	0.80	Correspondences to and from team /Bank for authorization of wire transfer/confirmation; Prepare CAD bank letter for wire payment/DocuSign. Post disbursement and payment entries; Print and attach transaction report; Provide team with wire confirmation.
July 28, 2025	Jesse Cooper	2.00	Correspondence with the Company re: purchase orders and payments; Internal discussions re: banking matters; Review prior week activity; Update cash flow; Prepare budget to actual analysis; Emails re: revenue.
July 28, 2025	Michael Dellaire	0.10	Internal discussion re: Cash flow.
July 28, 2025	Rosa Wilford	0.80	Review USD payment request and authorized approval from Trustee on file; Review account ledger; Prepare disbursement requisition form with support; Prepare bank letter for wire payment. Correspondences to and from Bank for authorization of wire transfer.
July 29, 2025	Jason Kanji	0.50	Address cash flow matters and DIP Funding.
July 29, 2025	Jesse Cooper	3.00	Emails with Company re: collections; Emails re: outstanding bills; Work on and sales analysis workbook and email thereto; Emails with the Company re: payment planning; Prepare updated payment details schedule; Emails re: DIP funding; Prepare amended cash
July 29, 2025	Michael Dellaire	0.60	Attend to correspondence; Internal discussions re: Payments and banking matters.
July 29, 2025	Rosa Wilford	1.50	On-line banking and review print screens re CAD/USD for incoming and outgoing payments; Prepare requisition forms, post entries; Prepare bank letters for DocuSign; Partial reconciliation of accounts; Post USD Bank Fee; Respond to team.
July 30, 2025	Jesse Cooper	2.50	Correspondence with Company re: payments and outstanding bills; Correspondence re: BMO; Calls and emails with BMO re: claims process and unsecured loan; Internal discussions re: cashflow and funding requirements; Work on amended cashflow and payment sched
July 30, 2025	Michael Dellaire	0.30	Attend to correspondence; Discuss payments internally.
July 30, 2025	Rosa Wilford	1.20	Prepare bank letter re transfers between accounts USD to CAD; Prepare receipt and disbursement requisition forms; Correspondences to and from Bank for authorization of transfer/confirmation; On-line banking/print screens; Post entries.

Date	Name	Hours	Detail
July 31, 2025	Jesse Cooper	3.00	Emails and correspondence re: payments and purchase orders; Update payment schedule; Review cash flows; Internal correspondence thereto and re: banking matters; Review of July revenue summary and internal correspondence thereto; Call with company.
July 31, 2025	Azeem Manzoor	1.50	Updated the sales analysis to include July's invoices.
July 31, 2025	Rosa Wilford	1.60	Prepare CAD bank letters for wire payments. Correspondences to and from team /Bank for authorization of wire transfers/confirmations; Post disbursement and payment entries; Print and attach transaction reports; On-line banking and print screens.
August 1, 2025	Jesse Cooper	0.75	Emails and correspondence with the Company re: payment planning, funding, and sales; Review and send payment confirmations to suppliers.
August 1, 2025	Rosa Wilford	0.75	Review CAD payment requests and authorized approvals from Trustee on file; Review account ledger; Prepare disbursement requisition forms with support; Prepare bank letter for wire payment. Correspondences to and from Bank for authorization
August 5, 2025	Jesse Cooper	2.75	Emails with Company re: purchase orders; Emails with creditor re: claim submission; Work on and update payment schedule and planner; Emails thereto; Review outstanding purchaser orders; Review banking activity; Review unpaid invoices.
August 5, 2025	Michael Dellaire	2.25	Attend to correspondence; Review submitted claim; Work on Week 11 Reporting; Complete Week 11 variance report.
August 6, 2025	Jesse Cooper	3.00	Review late filed claim and correspondence thereto; Review banking activity; Update payment tracker and planner; Correspondence the Company thereto; Work on and prepare draft cash flow up to end of October; Review claims and internal discussions thereto.
August 7, 2025	Jesse Cooper	2.25	Emails re: suppliers and purchase orders; Internal planning and discussion re: cash flows; Review banking activity; Review and work on cash flow; Review and work on revenue and sales analysis; Work on revised collection assumptions and cash flows.
August 8, 2025	Jesse Cooper	1.00	Finalize cash flow and correspondence thereto; Emails re: sales reporting and payables.
August 11, 2025	Jesse Cooper	2.00	Review extended cash flow; Call with CRO to review cash flow; Internal discussions thereto and planning; Review Week 12 actual results; Work on and finalize extended cash flow; Email thereto.
August 11, 2025	Michael Dellaire	2.00	Draft Week 12 Reporting; Internal discussions thereof.

Date	Name	Hours	Detail
August 12, 2025	Jesse Cooper	3.00	Internal discussions re: planning; Work on and finalize draft extension cash flow and emails with counsels thereto; Review claims received and emails thereto; Email to CRO re claims; Emails with Company re payments; Emails with BMO; Emails with Venn re banking.
August 12, 2025	Michael Dellaire	0.25	Attend to correspondence; Internal discussion re: Banking matters;
August 13, 2025	Jason Kanji	2.00	Call with counsel re: application materials; Review of Cash Flow
August 13, 2025	Jesse Cooper	1.50	Review cash flow; Attend call with DIP lender and counsel; Emails and correspondence re: claims; Emails re: payments; Update payment tracker; Call with Company re: payment processing and next steps.
August 14, 2025	Jason Kanji	3.00	Review of Company application materials; Calls with counsel on same; Update with team re: report matters.
August 14, 2025	Jesse Cooper	3.75	Review counsel comments to SISP and stalking horse bid; Review and finalize cash flow for reporting purposes; Update and work on Second Report; Review court materials; Emails thereto.
August 15, 2025	Jason Kanji	2.00	Review of application materials; Correspond with counsel; Update report
August 15, 2025	Jesse Cooper	2.50	Review Golubovich Affidavit; Review comments to SISP; Emails re: purchases and payments; Emails re: collections; Call with Company re: payroll, next steps, and cash flows.
August 16, 2025	Jason Kanji	2.00	Review of Report; Review of SISP documents; Correspond with team on same.
August 16, 2025	Jesse Cooper	1.50	Call with J. Kanji re: finalizing Second Report and cash flow; Review Second Report, finalize, and send to counsel; Finalize extended cash flow and send to CRO for review.
August 18, 2025	Harvey Han	0.25	Reviewed and renamed the documents; Updated on the website.
August 18, 2025	Jesse Cooper	4.00	Review Cassels comments to report; Emails thereto; Internal correspondence re: report; Emails with CRO re: cash flow; Work on Second Report; Emails with Miller Thomson; Review MT comments; Compile and prepare all appendices for report; Finalize report.
August 18, 2025	Michael Dellaire	2.00	Internal discussion re: SISP; Draft weekly cash flow reporting;
August 19, 2025	Jesse Cooper	0.50	Internal discussion re: SISP set up and preparation; Emails with Company re: payments; Review banking activity; Emails re: collections.
August 19, 2025	Michael Dellaire	0.50	Attend to correspondence; Internal discussion re: SISP.

Date	Name	Hours	Detail
August 20, 2025	Jesse Cooper	4.50	Review purchase orders; Call with CRO re: claim process; Update payment tracker; Review banking activity; Review and comment on draft CIM; Update and finalize Teaser and NDA; Review/comment on ads; Update interested party tracker; Internal SISP planning.
August 20, 2025	Michael Dellaire	3.75	Internal correspondence re: Sales materials; Internal discussion thereof; Update CIM; Internal discussions thereof; Update teaser letter; Draft newspaper ad, Insolvency Insider ad, and cover email;
August 20, 2025	Rosa Wilford	1.25	Review USD and CAD Bank Accounts; posted EFTs, reconciled July 2025 statements; Printed balance summary; matched to initial reconciliations; submitted to authorized officer for review/signature.
August 21, 2025	Jesse Cooper	1.00	Review SISP materials and internal planning.
August 21, 2025	Michael Dellaire	2.00	Review Court materials ahead of hearing; Attend hearing; Internal discussion thereof; Update newspaper ads; Arrange for posting of newspaper ad;
August 22, 2025	Jesse Cooper	2.00	Finalize CIM and Teaser; Internal correspondence thereto; Emails with counsel thereto; Finalize email blast; Update interested party tracker; Identify files for VDR; Send SISP email blast; Responses thereto.
August 22, 2025	Michael Dellaire	2.00	Attend to correspondence; Update CIM per Cassel's comments; Compile appendices thereof; Correspond internally re: CIM; Correspond with Insolvency Insider re: Newsletter posting.
August 25, 2025	Harvey Han	0.25	Updated the website and blurbs as requested.
August 25, 2025	Jesse Cooper	2.75	Prepare updated website blurb; Correspondence with interested parties; Populate VDR and update; Prepare NDAs for signature; Correspondence thereto; Call with company re: payments and next steps; Review banking activity; Review court docs; Payment tracker.
August 25, 2025	Michael Dellaire	3.00	Review files for data room; Correspond with transactions team thereof; Internal discussions re: Same; Update weekly reporting template with new cash flow; Draft weekly reporting;
August 26, 2025	Harvey Han	0.25	Reviewed and renamed the document; Updated on the website
August 26, 2025	Jesse Cooper	1.50	Correspondence with interested parties; Correspondence with counsel re: NDAs; Emails with DIP Lender; Emails with Company re: payments; Emails with CRO re: NDAs.
August 26, 2025	Michael Dellaire	1.25	Correspond with Insolvency Insider re: Invoice; Internal discussions re: Cash flow and payments; Internal discussion re: SISP; Correspond internally re: Data Room;

Date	Name	Hours	Detail
August 27, 2025	Jesse Cooper	2.00	Review full executed NDAs and file; Review and update VDR; Correspondence with interested parties and provide parties access to VDR; Call with CRO; Emails with counsel; Internal correspondence re: SISP and next steps; Update interested party tracker.
August 27, 2025	Michael Dellaire	2.00	Internal discussions re: Social media accounts and SISP; Various correspondence with the company re: Social media accounts; Review access thereof.
August 28, 2025	Jesse Cooper	2.00	Review tax information on CRA portal and network; Emails thereto; Review bank activity; Call with company re: shipment issue; Call with Company re: payment processing; Email and review re: social media accounts and access.
August 28, 2025	Michael Dellaire	1.00	Attend to correspondence re: SISP.
September 1, 2025	Jesse Cooper	0.25	Correspondence re: interested parties and VDR; Send NDAs for signature; Emails thereto.
September 2, 2025	Jason Kanji	1.00	Review of operational and SISP matters.
September 2, 2025	Jesse Cooper	3.25	Review VDR activity; Add documents to VDR; Finalize NDA and add parties to VDR; Emails with parties; Review banking activity and cash flows; Internal planning and discussions thereto; Emails with Company thereto; Review loan receivables; Payment planning.
September 2, 2025	Michael Dellaire	2.00	Correspond internally re: Payment matters; Draft Week 15 Reporting; Internal discussions thereof.
September 2, 2025	Rosa Wilford	0.50	On-line banking and monitor account for expecting incoming wire/ print screen; Correspondences with Bank; Prepare requisition form with support and post deposit/bank charges and notify team, with EGLR.
September 3, 2025	Jesse Cooper	2.50	Review of VDR activity; Correspondence with interested parties; Internal correspondence thereto; Emails with Applicant; Review banking acitivty; Payment and cashflow planning; Call with company to process payments; Banking emails.
September 3, 2025	Michael Dellaire	0.75	Internal correspondence re: Cash flow reporting; Review SharePoint access; Grant CRO access thereof.
September 4, 2025	Harvey Han	0.25	Reviewed and renamed the document; Updated on the website.
September 4, 2025	Jason Kanji	2.00	Discussion with counsel re: SISP matters; Review of Confidentiality Agreement; Review of SISP Participant inquiries.

Date	Name	Hours	Detail
September 4, 2025	Jesse Cooper	2.00	Update call with Counsel re: SISP and other matters; Calls and emails with interested parties; Review banking activity; Call re: payments; Emails and review re: collections; Review data room activity.
September 4, 2025	Rosa Wilford	1.25	Review payment requests and approvals; Prepare bank letter/disbursements for transfer between accounts: Correspondences with bank/team: Post entries and print cheques.
September 5, 2025	Jason Kanji	2.00	Review of operational and SISP matters; Correspond with Arbat's counsel; Review of DIP funding.
August 20, 2025	Jason Kanji	1.50	Calls with counsel re: hearing matters.
August 21, 2025	Jason Kanji	2.00	Prepare for and attend Court hearing;
August 22, 2025	Jason Kanji	0.50	Review of SISP matters.
September 5, 2025	Jesse Cooper	1.00	Update payment tracker and email thereto: Emails re: collections; Call with former CFO re: partner portal and emails with Company thereto; Correspondence with interested parties; Update VDR.
September 5, 2025	Rosa Wilford	0.75	Review payment requests and approvals; Prepare bank letter/disbursement for wire payment/DocuSign: Correspondences with bank/team: Verification of wire, post entries and provide team with wire confirmation.
September 8, 2025	Jason Kanji	3.00	Address matters relating to claims process, Correspond with counsel on same, Review of matters relating to Jim resignation, Address operational matters.
September 8, 2025	Jesse Cooper	3.00	Review re: CEO resignation; Attend call with CRO and applicant counsel re: CEO resignation; Attend internal planning call with counsel re: CEO resignation and next steps; Review communication plans thereto; Review CEO request list; Payment planning.
September 8, 2025	Michael Dellaire	5.00	Meeting with CRO and Miller Thomson; Post meeting discussion; Various discussions/correspondence re: Accesses; Draft weekly variance report; Draft CEO resignation request list; Draft stakeholder communications.
September 9, 2025	Jason Kanji	1.00	Call with counsel on Claims Process and SISP Matters.

Date	Name	Hours	Detail
September 9, 2025	Jesse Cooper	3.50	Correspondence and review re: SharePoint; Emails re: transition; Call with counsels re: next steps; Update request list; Emails with interested parties; Update VDR access; Call with company to process payments; Review weekly reporting; Internal planning.
September 10, 2025	Jesse Cooper	1.50	Emails with company re: expense reports; Emails and review re: payment requests; Review document request to CEO; Internal planning re: transition.
September 10, 2025	Michael Dellaire	1.00	Prepare transition memo.
September 10, 2025	Rosa Wilford	0.50	Review USD and CAD Bank Accounts; posted EFTs, reconciled August 2025 statements; Printed balance summary; matched to initial reconciliations; submitted to authorized officer for review/signature.
September 11, 2025	Jason Kanji	3.00	Calls with counsel on Claims Matters; Correspond with interested party on SISP; Review of JR matters.
September 11, 2025	Jesse Cooper	4.25	Review of account log ins and manage access; Internal discussions thereto; Review company internal data; Call with counsel re: claims update; Correspondence thereto; Emails re: sales process; Attend meeting with interested party.
September 11, 2025	Michael Dellaire	3.00	Review various CEO accesses and arrange for transfers thereof; Meeting with interested party; Prepare notes thereof; Internal discussions re: Sale process.
September 12, 2025	Jason Kanji	1.00	Correspond with counsel on SISP and Claims matters.
September 12, 2025	Jesse Cooper	3.00	Review accounts and access; Ensure property security and permissions on accounts; Emails with company; Call with former CEO; Review payment requirements; Call with company to process payments; Emails with company; Review NDAs and correspond thereto.
September 15, 2025	Jason Kanji	2.00	Review of claims matters; Address SISP matters and BMW matters.
September 15, 2025	Jesse Cooper	2.00	Emails and correspondence re: BMW and insurance; Review lease agreement and insurance policy; Review signed NDAs; Review banking activity and emails thereto; Manage M365 profile and accounts and emails thereto; Emails with Venn re transaction inquiry.
September 16, 2025	Jason Kanji	2.00	Correspond with interested parties in SISP; Follow up with DIP Lender. Review of claims.

Date	Name	Hours	Detail
September 16, 2025	Jesse Cooper	3.50	Review NDAs; Review VDR activity and manage access; Correspondence with interested parties; Correspondence re: vehicle lease and insurance; Prepare Week 17 reporting; Call with Company re: payment planning and next steps; Internal planning.
September 17, 2025	Jason Kanji	1.00	Review of asset; SISP and claim matters.
September 17, 2025	Jesse Cooper	2.00	Emails re: AR and collection summary; Emails re: payment planning; Internal discussions re: BMW; Calls with BMW re: return of vehicle; Email to counsel thereto; Review claims and commentary; Review disallowance forms.
September 18, 2025	Jesse Cooper	3.00	Review AR summary and collection report prepared by the Company and correspondence thereto; Review NDAs and add users to VDR; Emails with interested parties; Call with CRO re: emails, server, data, QuickBooks, and BMW; Emails with counsel re: BMW.
September 19, 2025	Jesse Cooper	3.00	Calls and emails interested parties; Review documents in data room; Correspondence and review re: AR collections history and aging report; Calls and emails re: Blackbook access; Correspondence re: BMW; Review proof of claims; Prepare draft disallowances.
September 22, 2025	Jesse Cooper	6.50	Review interested party inquiries and respond thereto; Internal discussion thereto; Review and compile documents for VDR; Attend calls with interested parties; Review and prepare financial records; Review NDAs; Calls and emails with BMW; Payment planning.
September 25, 2025	Jesse Cooper	2.50	Calls and emails with interested parties; Review and manage VDR access; Review company documents and add to VDR; Emails with BMW; Internal planning; Payment planning; Emails with Company thereto; Review NDAs; Review price calculation; Call thereto.
September 26, 2025	Jesse Cooper	3.25	Calls and emails with interested parties re: inquiries; Review and compile documents thereto; Emails with BMO; Emails with BMW; Call with counsel re: next steps and response to Claimant; Review partner portal; Meeting re Auction Procedures; Review claims.
September 28, 2025	Jesse Cooper	3.00	Review financial information and email summary thereto; Review SISP and prepare draft email to Qualified Bidders; Prepare draft Auction Procedures; Internal emails thereto.

Date	Name	Hours	Detail
September 29, 2025	Jesse Cooper	4.50	Attend call with MT and Cassels re: Auction and next steps; Emails with Company re: expenses; Email to Venn; Attend meeting with interested party; Prepare reply to inquiry on same; Emails with BMO; Internal planning; Review claims; Finalize draft NORDs.
September 30, 2025	Jesse Cooper	2.00	Email with Bidder; Review submitted bid and correspondence thereto; Prepare bid tracker and summary sheet; Internal correspondence re: next steps and process.

Time Summary

J. Kanji, Vice President	70.30	hours @	$ 755.00	per hour	$ 53,076.50
J. Cooper, Manager	204.75	hours @	$ 420.00	per hour	$ 85,995.00
R. Wilford, Manager	22.20	hours @	$ 350.00	per hour	$ 7,770.00
M. Dellaire, Associate	141.25	hours @	$ 245.00	per hour	$ 34,606.25
H. Han, Associate	1.00	hours @	$ 245.00	per hour	$ 245.00
A. Manzoor, Analyst	59.20	hours @	$ 190.00	per hour	$ 11,248.00
	498.70				$192,940.75
5% Technology and Administration					$ 9,647.04
Disbursements					
Postage Fee					$ 353.88
Newspaper Ad Fees					$ 17,477.54
Library Subscription					$ 1,261.56
HST (13%)					$ 28,818.50
Total Invoice Due					**$250,499.27**

Exhibit "**B**" to the Affidavit of Jason Kanji,
sworn before me this 20 day of October 2025

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

The Second Cup Coffee Company Inc.
Summary of Billings
March 1 to September 30, 2025

Exhibit "B"

Date	Hours		Fees		Disbursements		Subtotal		HST		Total
March 1, 2025 to May 31, 2025	274.20	$	121,792.13	$	129.99	$	121,922.12	$	15,849.87	$	137,771.99
June 1, 2025 to September 30, 2025	498.70	$	202,587.79	$	19,092.98	$	221,680.77	$	28,818.50	$	250,499.27
	772.90	**$**	**324,379.92**	**$**	**19,222.97**	**$**	**343,602.89**	**$**	**44,668.37**	**$**	**388,271.26**

Average Hourly Rate: **419.69**

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

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

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

AFFIDAVIT OF JASON KANJI

CASSELS BROCK & BLACKWELL LLP
Bay Adelaide Centre-North Tower
40 Temperance Street Suite 3200
Toronto, ON M5H 0B4

Monique Sassi LSO #63638L
Email: msassi@cassels.com
Tel: 416-860-6886

Joshua Gordon LSO # 91617D
Email: jgordon@cassels.com
Tel: 416-869-5343

Lawyers for the Court-appointed Monitor, Grant Thornton Limited

Appendix L

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T WEEN:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

AFFIDAVIT OF NATALIE E. LEVINE
(SWORN OCTOBER 20, 2025)

I, Natalie E. Levine, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a lawyer qualified to practice law in Ontario and a Partner[1] in the law firm of Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for Grant Thornton Limited, in its capacity as the monitor (the "**Monitor**") of the Respondent, as appointed pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated May 22, 2025. As such, I have knowledge of the following matters.

2. During the period from May 16, 2025 to September 30, 2025, Cassels incurred fees and disbursements including Harmonized Sales Tax ("**HST**"), in the amount of

[1] My services are provided through a professional corporation.

$109,822.83. Particulars of the work performed are contained in the invoices (together, the "**Invoices**", each an "**Invoice**") attached hereto as **Exhibit "A"**.

3. Attached hereto as **Exhibit "B"** is a summary of the respective years of call and billing rates of each individual at Cassels who act for the Monitor.

4. Attached hereto as **Exhibit "C"** is a summary of each Invoice in Exhibit "A", the total billable hours charged per Invoice, the total fees charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by Cassels was $**655.75**.

5. To the best of my knowledge, the rates charged by Cassels are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

6. This affidavit is sworn in support of a motion to, among other things, seek approval of the fees and disbursements of counsel of the Monitor, and for no other or improper purpose.

AFFIRMED BEFORE ME by videoconference on October 20, 2025 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits
(or as may be)

Commissioner Name: Joshua Gordon
Law Society of Ontario Number: 91617D

NATALIE E. LEVINE

This is Exhibit "**A**" referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on October 20, 2025 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits

Commissioner Name: Joshua Gordon
Law Society of Ontario Number: 91617D

<u>EXHIBIT “A”</u>
Copies of the Invoices issued to the Monitor
for fees and disbursements incurred by
Cassels Brock & Blackwell LLP

Cassels

Invoice No:	2283217
Date:	May 30, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Doane Grant Thornton LLP
200 King Street West
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including May 30, 2025

Our Fees	24,560.00
Disbursements	11.25
Total Fees and Disbursements	24,571.25
HST @ 13.00%	3,194.26
TOTAL DUE (CAD)	**27,765.51**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2283217
Matter No.:	025614-00043
Amount:	**CAD 27,765.51**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
May-16-25	M. Sassi	Call with J. Kanji regarding background and filing;	0.20
May-20-25	J. Gordon	Correspondence with M. Sassi;	0.10
May-20-25	M. Sassi	Review of Draft affidavit and draft pre-filing report and providing comments to client on pre-filing report; correspondence with company counsel regarding court; call with J. Kanji regarding CCAA filing matters;	1.40
May-21-25	J. Gordon	Reviewing and revising the Pre-Filing Report and motion materials; correspondence with Applicant's counsel and M. Sassi; serving Pre-Filing Report and drafting Affidavit of Service;	8.20
May-21-25	M. Sassi	Review draft report; review materials filed and draft order; review and comment on CRO engagement letters; call with J. Kanji regarding same; review revised order regarding charges;	2.70
May-22-25	J. Gordon	Attended application hearing; correspondence with M. Sassi; update call with Applicant's counsel, CRO and the Monitor;	1.90
May-22-25	M. Sassi	Preparation for attending hearing for initial CCAA hearing; call with company and CRO regarding next steps; call with Monitor regarding next steps;	1.90
May-23-25	J. Gordon	Correspondence with Applicants counsel;	0.20
May-26-25	J. Gordon	Revising and reviewing the First Report of the Monitor; correspondence with M. Sassi;	2.30
May-26-25	M. Sassi	Discussion with J. Kanji regarding First Report and court materials for comeback hearing;	0.30
May-27-25	J. Gordon	Reviewing the motion materials returnable May 29; correspondence with M. Sassi; continued revisions and review to the draft First Report of the Monitor;	6.10
May-27-25	M. Sassi	Review First report and providing comments on same; review draft affidavit and orders and providing comments on same; attending calls with Monitor regarding ongoing matters; call with counsel to the Company; call with counsel to BMO;	5.40
May-28-25	J. Gordon	Conducting final review and compilation of the First Report of the Monitor; drafting Affidavit of Service; circulating the Report to the service list; uploaded report and affidavit to JSO and Caselines; corresponded with M. Sassi;	4.40
May-28-25	M. Sassi	Review and comment on First report; correspondence regarding service and filing of court report; review correspondence regarding CRA matters; call with company counsel and Monitor regarding CRA reservation of rights; correspondence regarding service of final materials;	2.00
May-29-25	J. Gordon	Reviewing motion materials; correspondence with Applicants counsel;	0.80
May-29-25	M. Sassi	Preparation for and attending court hearing regarding Claims process and ARIO; with counsel to company and	1.80

Date	Name	Description	Hours
		Monitor regarding relief; review issued orders and endorsement as issued by the Court;	

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Sassi, Monique	Partner	15.70	800.00	12,560.00
Gordon, Joshua	Associate	24.00	500.00	12,000.00
TOTAL (CAD)		**39.70**		**24,560.00**

Our Fees	24,560.00	
HST @ 13.00%	3,192.80	
TOTAL FEES & TAXES (CAD)		**27,752.80**

DISBURSEMENT SUMMARY

Taxable Disbursements

Copies	11.25	
Total Taxable Disbursements	11.25	
HST @ 13.00%	1.46	
Total Taxable Disbursements & Taxes	12.71	
TOTAL DISBURSEMENTS & TAXES (CAD)		**12.71**

TOTAL FEES	**24,560.00**
TOTAL DISBURSEMENTS	**11.25**
TOTAL TAXES	**3,194.26**
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	**27,765.51**

Cassels

Invoice No:	2285202
Date:	June 17, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Doane Grant Thornton LLP
200 King Street West
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including June 13, 2025

Our Fees	350.00
Disbursements	167.92
Total Fees and Disbursements	517.92
HST @ 13.00%	67.33
TOTAL DUE (CAD)	**585.25**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2285202
Matter No.:	025614-00043
Amount:	**CAD 585.25**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Jun-02-25	J. Gordon	Reviewing the Claims Identification Order and Amended and Restated Initial Order;	0.70

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Gordon, Joshua	Associate	0.70	500.00	350.00
TOTAL (CAD)		**0.70**		**350.00**

Our Fees	350.00	
HST @ 13.00%	45.50	
TOTAL FEES & TAXES (CAD)		**395.50**

DISBURSEMENT SUMMARY

Taxable Disbursements

Delivery	167.92	
Total Taxable Disbursements	167.92	
HST @ 13.00%	21.83	
Total Taxable Disbursements & Taxes	189.75	
TOTAL DISBURSEMENTS & TAXES (CAD)		**189.75**

TOTAL FEES	**350.00**
TOTAL DISBURSEMENTS	**167.92**
TOTAL TAXES	**67.33**
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	**585.25**

Cassels

Invoice No:	2285903
Date:	June 23, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Grant Thornton Limited
200 King Street West
11th Floor Box 11
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including June 20, 2025

Our Fees	8,680.00
HST @ 13.00%	1,128.40
TOTAL DUE (CAD)	**9,808.40**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2285903
Matter No.:	025614-00043
Amount:	**CAD 9,808.40**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Jun-16-25	J. Gordon	Reviewing and providing comments on the SISP and Stalking Horse Agreement circulated by the Applicants counsel; correspondence with M. Sassi;	3.80
Jun-16-25	M. Sassi	Review and comment on draft Stalking horse agreement; discussion with J. Kanji regarding ongoing file matters;	0.50
Jun-17-25	J. Gordon	Reviewing the SISP and Stalking Horse Agreement and providing comments; correspondence with M. Sassi;	2.20
Jun-17-25	M. Sassi	Review and comment on draft agreements; discussion regarding same;	2.40
Jun-18-25	J. Gordon	Calls with Grant Thornton and Miller Thompson teams regarding comments on the SISP and Stalking Horse Agreement; correspondence with M. Sassi; revising drafts of the SISP and Stalking Horse Agreement to reflect feedback;	2.40
Jun-18-25	M. Sassi	Review and comment on SISP and Stalking Horse Agreement and correspondence with Monitor regarding same; attending call with Monitor regarding comments on documents; attending call with company counsel regarding comments on agreements;	2.70

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Sassi, Monique	Partner	5.60	800.00	4,480.00
Gordon, Joshua	Associate	8.40	500.00	4,200.00
TOTAL (CAD)		**14.00**		**8,680.00**

Our Fees	8,680.00	
HST @ 13.00%	1,128.40	
TOTAL FEES & TAXES (CAD)		**9,808.40**

TOTAL FEES	**8,680.00**
TOTAL TAXES	**1,128.40**
TOTAL FEES & TAXES (CAD)	**9,808.40**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2285202	06/17/25	585.25	0.00	585.25
2285903	06/23/25	9,808.40	0.00	9,808.40
TOTAL (CAD)		**10,393.65**	**0.00**	**10,393.65**

Cassels

Invoice No:	2287441
Date:	July 07, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Grant Thornton Limited
200 King Street West
11th Floor Box 11
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including June 30, 2025

Our Fees	560.00
HST @ 13.00%	72.80
TOTAL DUE (CAD)	**632.80**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2287441
Matter No.:	025614-00043
Amount:	**CAD 632.80**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL			
Date	**Name**	**Description**	**Hours**
Jun-24-25	M. Sassi	Correspondence regarding claims process and court time;	0.30
Jun-25-25	M. Sassi	Correspondence regarding court time;	0.10
Jun-30-25	M. Sassi	Correspondence regarding prior legal counsel and claims filed;	0.30

FEE SUMMARY				
Name	**Title**	**Hours**	**Rate**	**Amount**
Sassi, Monique	Partner	0.70	800.00	560.00
TOTAL (CAD)		**0.70**		**560.00**

Our Fees	560.00	
HST @ 13.00%	72.80	
TOTAL FEES & TAXES (CAD)		**632.80**

TOTAL FEES	**560.00**
TOTAL TAXES	**72.80**
TOTAL FEES & TAXES (CAD)	**632.80**

OUTSTANDING INVOICES				
Invoice Number	**Invoice Date**	**Bill Amount**	**Payments / Credits**	**Balance Due**
2285202	06/17/25	585.25	0.00	585.25
2285903	06/23/25	9,808.40	0.00	9,808.40
2287441	07/07/25	632.80	0.00	632.80
TOTAL (CAD)		**11,026.45**	**0.00**	**11,026.45**

Cassels

Invoice No:	2289020
Date:	July 21, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Grant Thornton Limited
200 King Street West
11th Floor Box 11
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including July 18, 2025

Our Fees	580.00
HST @ 13.00%	75.40
TOTAL DUE (CAD)	**655.40**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2289020
Matter No.:	025614-00043
Amount:	**CAD 655.40**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Jul-07-25	J. Gordon	Correspondence with M. Sassi and M. Cressati regarding submitted proof of claims; review of proof of claims;	0.50
Jul-07-25	M. Sassi	Call with J. Kanji regarding updates;	0.10
Jul-14-25	J. Gordon	Correspondence D. Salter regarding proof of claims;	0.20
Jul-17-25	J. Gordon	Correspondence with M. Sassi and M. Cressatti;	0.30

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Sassi, Monique	Partner	0.10	800.00	80.00
Gordon, Joshua	Associate	1.00	500.00	500.00
TOTAL (CAD)		**1.10**		**580.00**

Our Fees	580.00	
HST @ 13.00%	75.40	
TOTAL FEES & TAXES (CAD)		**655.40**

TOTAL FEES	**580.00**
TOTAL TAXES	**75.40**
TOTAL FEES & TAXES (CAD)	**655.40**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2285202	06/17/25	585.25	0.00	585.25
2285903	06/23/25	9,808.40	0.00	9,808.40
2287441	07/07/25	632.80	0.00	632.80
2289020	07/21/25	655.40	0.00	655.40
TOTAL (CAD)		**11,681.85**	**0.00**	**11,681.85**

Cassels

Invoice No:	2291453
Date:	August 11, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Grant Thornton Limited
200 King Street West
11th Floor Box 11
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including August 08, 2025

Our Fees	1,040.00
HST @ 13.00%	135.20
TOTAL DUE (CAD)	**1,175.20**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2291453
Matter No.:	025614-00043
Amount:	**CAD 1,175.20**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Jul-25-25	J. Gordon	Correspondence with Miller Thompson team, M. Sassi and J. Kanji;	0.30
Jul-25-25	M. Sassi	Correspondence regarding booking court time for stay extension and other relief;	0.20
Jul-27-25	J. Gordon	Correspondence with M. Sassi and Grant Thornton team;	0.30
Jul-30-25	J. Gordon	Correspondence with M. Sassi and Grant Thornton team;	0.20
Jul-30-25	M. Sassi	Correspondence regarding court hearing;	0.20
Jul-30-25	M. Sassi	Correspondence regarding court hearing and scheduling; correspondence with P. Bakos;	0.40

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Sassi, Monique	Partner	0.80	800.00	640.00
Gordon, Joshua	Associate	0.80	500.00	400.00
TOTAL (CAD)		**1.60**		**1,040.00**

Our Fees	1,040.00	
HST @ 13.00%	135.20	
TOTAL FEES & TAXES (CAD)		**1,175.20**

TOTAL FEES	**1,040.00**
TOTAL TAXES	**135.20**
TOTAL FEES & TAXES (CAD)	**1,175.20**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2287441	07/07/25	632.80	0.00	632.80
2291453	08/11/25	1,175.20	0.00	1,175.20
TOTAL (CAD)		**1,808.00**	**0.00**	**1,808.00**

Cassels

Invoice No:	2294312
Date:	August 31, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Grant Thornton Limited
200 King Street West
11th Floor Box 11
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including August 29, 2025

Our Fees	28,840.00
Disbursements	45.50
Total Fees and Disbursements	28,885.50
HST @ 13.00%	3,755.12
TOTAL DUE (CAD)	**32,640.62**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2294312
Matter No.:	025614-00043
Amount:	**CAD 32,640.62**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Aug-12-25	J. Gordon	Correspondence with M. Cressatti regarding the extended cash flow;	0.10
Aug-13-25	M. Sassi	Calls with Monitor and company counsel regarding upcoming motion and next steps;	1.00
Aug-13-25	J. Gordon	Correspondence with M. Sassi; reviewing claims;	1.20
Aug-14-25	M. Sassi	Review draft court materials; comments on SISP, order and report; correspondence and calls regarding court materials;	2.50
Aug-14-25	J. Gordon	Reviewing and providing comments on the draft SISP, Stalking Horse Subscription Agreement, SISP Order, Ancillary Order, and; correspondence with M. Sassi and the Applicants' counsel; reviewing claims;	5.80
Aug-15-25	T. Li Parizeau	Call with Z. Nurmohamed;	1.00
Aug-15-25	M. Sassi	Correspondence SISP and review mark up; correspondence regarding tax matters;	0.50
Aug-15-25	Z. Nurmohamed	Review Stalking Horse Agreement; discussions with T. Li Parizeau regarding the proposed transactions; respond to correspondence from J. Gordon;	1.30
Aug-17-25	M. Sassi	Review served court materials; review and comment on draft report;	1.00
Aug-17-25	J. Gordon	Reviewing the Second Report of the Monitor; correspondence with M. Sassi;	2.90
Aug-18-25	M. Sassi	Review and comment on draft report and correspondence with GT regarding same; review SISP served on service list;	1.50
Aug-18-25	J. Gordon	Reviewing and revising the Monitor's Second Report; correspondence with M. Sassi, J. Cooper and the Miller Thompson team; effecting service of the Monitor's Second Report;	5.10
Aug-19-25	M. Sassi	Calls and correspondence regarding pending motion; finalization of report and comments on same; review comments from company and correspondence regarding same;	1.20
Aug-19-25	J. Gordon	Correspondence with M. Sassi; filing the Monitor's Second Report with the court;	1.30
Aug-20-25	M. Sassi	Call with company counsel and counsel to stakeholders regarding relief requested; call with counsel to BMO regarding court materials;	0.50
Aug-20-25	J. Gordon	Correspondence with M. Sassi, N. Levine and the Miller Thompson team; reviewing and revising the CIM, teaser and NDA; Correspondence with D. Salter;	7.20
Aug-20-25	N. Levine	Mark up NDA, Teaser and CIM; comment on sale matters;	2.00
Aug-21-25	M. Sassi	Review and comment on SISP docs; preparation for and attending court hearing regarding SISP;	1.00
Aug-21-25	J. Gordon	Correspondence with N. Levine and M. Sassi; reviewing and revising the CIM, teaser, and NDA; attending SISP and DIP approval hearing;	3.60

Date	Name	Description	Hours
Aug-21-25	N. Levine	Revise CIM; revise teaser; revise NDA; confer with team; review SISP;	2.80
Aug-22-25	M. Sassi	Correspondence regarding NDA, CIM and teaser;	0.20
Aug-26-25	J. Gordon	Revising the NDA; correspondence with J. Cooper;	0.30
Aug-27-25	M. Sassi	Review and comment on revised NDA and correspondence with client and company counsel regarding same;	0.40

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Li Parizeau, Tera	Partner	1.00	900.00	900.00
Sassi, Monique	Partner	9.80	800.00	7,840.00
Levine, Natalie	Partner	4.80	1,025.00	4,920.00
Nurmohamed, Zahra	Partner	1.30	1,100.00	1,430.00
Gordon, Joshua	Associate	27.50	500.00	13,750.00
TOTAL (CAD)		**44.40**		**28,840.00**

Our Fees	28,840.00	
HST @ 13.00%	3,749.20	
TOTAL FEES & TAXES (CAD)		**32,589.20**

DISBURSEMENT SUMMARY

Taxable Disbursements		
Copies	45.50	
Total Taxable Disbursements	45.50	
HST @ 13.00%	5.92	
Total Taxable Disbursements & Taxes	51.42	
TOTAL DISBURSEMENTS & TAXES (CAD)		**51.42**

TOTAL FEES	**28,840.00**
TOTAL DISBURSEMENTS	**45.50**
TOTAL TAXES	**3,755.12**
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	**32,640.62**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2287441	07/07/25	632.80	0.00	632.80
2291453	08/11/25	1,175.20	0.00	1,175.20
2294312	08/31/25	32,640.62	0.00	32,640.62
TOTAL (CAD)		**34,448.62**	**0.00**	**34,448.62**

Cassels

Invoice No:	2298534
Date:	October 10, 2025
Matter No.:	025614-00043
GST/HST No.:	R121379572
Lawyer:	Sassi, Monique
Tel.:	(416) 860-6886
E-mail:	msassi@cassels.com

Attn: Jason Kanji
Grant Thornton Limited
200 King Street West
11th Floor Box 11
Toronto, ON M5H 3T4

Re: The Second Cup Coffee Company Inc.

Fees for professional services rendered up to and including September 30, 2025

Our Fees	31,720.00
Disbursements	633.67
Total Fees and Disbursements	32,353.67
HST @ 13.00%	4,205.98
TOTAL DUE (CAD)	**36,559.65**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

Canadian Dollar EFT and Wire Payments:
Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2298534
Matter No.:	025614-00043
Amount:	**CAD 36,559.65**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Sep-02-25	M. Sassi	Correspondence regarding insider declaration;	0.20
Sep-03-25	M. Sassi	Correspondence with Monitor and consider matters related to CCAA proceeding and claims process;	0.20
Sep-04-25	M. Sassi	Correspondence regarding insider obligations; discussion wit Monitor regarding ongoing matters and claims;	2.20
Sep-06-25	J. Gordon	Reviewing and analyzing unsecured claims;	1.10
Sep-07-25	J. Gordon	Reviewing and analyzing unsecured claims;	3.30
Sep-08-25	J. Gordon	Reviewing and analyzing unsecured claims; correspondence with M. Sassi, J. Cooper and J. Kanji;	3.30
Sep-08-25	M. Sassi	Participated in Second Cup claims discussion with Jason Kanji, Jesse Cooper; reviewed claims and coordinated with Camille Dunbar for analysis; confirmed meeting time and agenda for Second Cup team call; correspondence regarding claims; review CEO resignation and related matters;	2.10
Sep-09-25	C. Dunbar	Review and consider proof of loss claims for claimant;	1.40
Sep-09-25	M. Sassi	Review claims; call and correspondence regarding claims received and analysis of same; correspondence with C. Dunbar regarding claims; call with counsel to DIP lender regarding ongoing matters;	2.10
Sep-09-25	J. Gordon	Correspondence with Miller Thompson, Grant Thornton, C. Dunbar and M. Sassi regarding claims;	0.70
Sep-11-25	A. Merskey	Review proof of claims and related documentation, discussion with M. Sassi re same;	0.60
Sep-11-25	M. Sassi	Review of claims and discussion with Monitor regarding next steps;	1.00
Sep-12-25	A. Merskey	Review claims summary and related caselaw, confer with M. Sassi re claims classification and treatment, consider same;	0.60
Sep-12-25	M. Sassi	Review case law regarding specific claims; correspondence with litigator A. Merskey regarding same; correspondence regarding claims with Monitor;	2.70
Sep-14-25	M. Sassi	Review claims and correspondence regarding same;	0.80
Sep-15-25	J. Gordon	Reviewing franchise agreements; correspondence with A. Tomko;	1.60
Sep-15-25	M. Sassi	Call with Monitor regarding update on claims; internal discussion regarding franchise agreement;	0.30
Sep-17-25	J. Gordon	Reviewing the claim documentation; regarding same; correspondence with S. Shapero;	3.40
Sep-18-25	M. Sassi	Review claims query and correspondence with client regarding same; call with Monitor regarding ongoing matters and auction timing;	0.60
Sep-19-25	M. Sassi	Correspondence regarding claim and review of related research; correspondence with Monitor regarding claims matters; correspondence regarding P. Bakos information;	0.50

Date	Name	Description	Hours
Sep-20-25	M. Sassi	Review and comment on draft Fifth report;	0.50
Sep-22-25	M. Sassi	Review correspondence from counsel to shareholder regarding certain claims and ongoing matters; review correspondence regarding sale matters;	1.70
Sep-22-25	A. Merskey	Review G. Finlayson letter re claim, emails re claim treatment;	0.30
Sep-25-25	M. Sassi	Review SISP and stalking horse agreement; correspondence with client regarding same; call with Monitor regarding SISP matters;	1.10
Sep-26-25	M. Sassi	Review claims and comments on same; calls with Monitor regarding claims and sale process;	1.30
Sep-26-25	A. Merskey	Review and revise NORDs, related emails;	0.30
Sep-26-25	C. Dunbar	Review correspondence from counsel for shareholders regarding claim; consider claim;	0.30
Sep-26-25	J. Gordon	Correspondence with M. Sassi and C. Dunbar regarding proof of claim's review; correspondence with Grant Thornton team;	1.10
Sep-28-25	M. Sassi	Correspondence regarding claims review and comments on notices; correspondence regarding potential auction procedures;	0.80
Sep-28-25	M. Sassi	Revisions to correspondence to P. Bakos; sending correspondence regarding same; call with Monitor regarding claims and ongoing CCAA Matters;	2.00
Sep-28-25	C. Dunbar	Prepare response to claim;	1.40
Sep-29-25	M. Sassi	Discussion with J. Gordon regarding claims; attending call regarding ongoing matters and auction procedures; discussions with the monitor regarding claims matters and Sale process; consider auction procedures and disclosure requests;	2.70
Sep-29-25	J. Gordon	Update call with M. Sassi, Grant Thornton team and Miller Thomson team;	0.40
Sep-30-25	M. Sassi	Review and comment on auction procedures; calls with Monitor regarding sale process and claims matters; review and comment on bid received; correspondence with corporates and tax teams regarding corporate closing matters;	2.10

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Sassi, Monique	Partner	24.90	800.00	19,920.00
Merskey, Alan	Partner	1.80	1,125.00	2,025.00
Dunbar, Camille	Partner	3.10	750.00	2,325.00
Gordon, Joshua	Associate	14.90	500.00	7,450.00
TOTAL (CAD)		**44.70**		**31,720.00**

Our Fees	31,720.00	
HST @ 13.00%	4,123.60	
TOTAL FEES & TAXES (CAD)		**35,843.60**

DISBURSEMENT SUMMARY

Taxable Disbursements		
Copies	591.00	
Binding, Tabs, Disks, etc	22.89	
Delivery	19.78	
Total Taxable Disbursements	633.67	
HST @ 13.00%	82.38	
Total Taxable Disbursements & Taxes	716.05	
TOTAL DISBURSEMENTS & TAXES (CAD)		**716.05**

TOTAL FEES	**31,720.00**
TOTAL DISBURSEMENTS	**633.67**
TOTAL TAXES	**4,205.98**
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	**36,559.65**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2287441	07/07/25	632.80	0.00	632.80
2291453	08/11/25	1,175.20	0.00	1,175.20
2298534	10/10/25	36,559.65	0.00	36,559.65
TOTAL (CAD)		**38,367.65**	**0.00**	**38,367.65**

This is Exhibit “**B**” referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on October 20, 2025 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits

Commissioner Name: Joshua Gordon
Law Society of Ontario Number: 91617D

EXHIBIT "B"

Summary of Respective Years of Call and Billing Rates of Cassels Brock & Blackwell LLP for the period May 16, 2025 to September 30, 2025

Year of Call	Individual	Rate ($) (2025)	Total Fees Billed ($)	Total Hours Worked
2013	Monique Sassi	$800.00	$46,080.00	57.6
2025	Joshua Gordon	$500.00	$38,650.00	77.3
2013	Tera Li Parizeau	$900.00	$900.00	1.0
2013	Natalie Levine	$1,025.00	$4,920.00	4.8
2001	Zahra Nurmohamed	$1,100.00	$1,430.00	1.3
1999	Alan Merskey	$1,125.00	$2,025.00	1.8
2014	Camille Dunbar	$750.00	$2,325.00	3.1

This is Exhibit "**C**" referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on October 20, 2025 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits

Commissioner Name: Joshua Gordon
Law Society of Ontario Number: 916617D

EXHIBIT "C"

Calculation of Average Hourly Billing Rates of Cassels Brock & Blackwell LLP for the period May 16, 2025 to September 30, 2025

Invoice No./ Period	Fees ($)	Disbursements ($)	HST ($)	Total Fees, Disbursements and HST ($)	Hours Billed	Average Billed Rate ($)
#2283217 (May 16, 2025 to May 30, 2025)	$24,560.00	$11.25	$3,194.26	$27,765.51	39.7	$618.64
#2285202 (June 1, 2025 to June 13, 2025)	$350.00	$167.92	$67.33	$585.25	0.7	$500.00
#2285903 (June 14, 2025 to June 20, 2025)	$8,680.00	N/A	$1,128.40	$9,808.40	14.0	$620.00
#2287441 (June 21, 2025 to June 30, 2025)	$560.00	N/A	$72.80	$632.80	0.7	$800.00
#2289020 (July 1, 2025 to July 18, 2025)	$580.00	N/A	$75.40	$655.40	1.1	$527.27
#2291453 (July 19, 2025 to August 8, 2025)	$1,040.00	N/A	$135.20	$1,175.20	1.6	$650.00
#2294312 (August 9, 2025 to August 29, 2025)	$28,840.00	$45.50	$3,755.12	$32,640.62	44.40	$649.55

#2298534 (August 30, 2025 to September 30, 2025)	$31,720.00	$633.67	$4,205.98	$36,559.65	44.7	$709.62
Total	**$96,330.00**	**$858.34**	**$12,634.49**	**$109,822.83**	**146.90**	**$655.75**

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

Applicant Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF NATALIE E. LEVINE

CASSELS BROCK & BLACKWELL LLP
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Monique Sassi LSO #63638L
Tel: 416.860.6886
msassi@cassels.com

Joshua Gordon LSO #91617D
Tel: 416.869.5343
jgordon@cassels.com

Lawyers for the Court-Appointed Monitor, Grant Thornton Limited

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

Applicant | Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

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

CASSELS BROCK & BLACKWELL LLP
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Monique Sassi LSO #63638L
Tel: 416.860.6886
msassi@cassels.com

Joshua Gordon LSO #91617D
Tel: 416.869.5343
jgordon@cassels.com

Lawyers for the Court-Appointed Monitor, Grant Thornton Limited

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY THE 30TH
JUSTICE MYERS	)	DAY OF OCTOBER, 2025
	)	

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

ORDER

(APPROVAL AND REVERSE VESTING ORDER)

THIS MOTION, made by Grant Thornton Limited ("**GTL**"), in its capacity as the Court-appointed monitor in these proceedings (in such capacity, the "**Monitor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things: (a) approving the stalking horse subscription agreement dated as of August 15, 2025 as amended by the Amending Agreement No. 1 to the Stalking Hose Subscription Agreement, effective October 30, 2025 (the "**Amending Agreement**", and collectively, the "**Amended Purchase Agreement**") attached a **Appendices "I"** to the Third Report of the Monitor dated October 20, 2025 (the "**Third Report**"), entered into between The Second Cup Coffee Company Inc. (the "**Debtor**"), as vendor, and Arbat Capital Group Ltd. (the "**Purchaser**"), as purchaser, and the Transaction contemplated therein; (b) adding [●] ("**ResidualCo.**") as a Respondent to these CCAA proceedings ("**CCAA Proceedings**") and removing the Debtor as the respondent in these CCAA proceedings; (c) transferring and vesting all of the right, title, and interest of the Debtor in and to the Excluded Assets and Excluded Liabilities (each as defined in the Amended Purchase Agreement) to and in ResidualCo.; (d) approving the release of the Released Parties (as defined below); (e) authorizing and directing the Debtor to file the Articles of Reorganization; (f) authorizing and directing the Debtor to issue the Purchased Shares, and vesting in and to the Purchaser, all right, title, and interest in and to the Purchased Shares, free and clear of any Claims and Encumbrances (as defined below), other than the Permitted Encumbrances; and (g) terminating and cancelling all of the Existing Shares of the Debtor, for no consideration, was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the Motion Record of the Monitor, including the Third Report, and on hearing the submissions of counsel for the Monitor, counsel for the Applicant and the Purchaser, and counsel for those other parties appearing as indicated by the Participant Information Form, no one appearing for any other party, although duly served as appears from the affidavit of service of Joshua Gordon dated October 20, 2025, as filed,

SERVICE

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

DEFINED TERMS

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

APPROVAL AND VESTING

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

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

5. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Debtor and the Chief Restructuring Officer ("**CRO**") to proceed with the Transaction and the Implementation Steps, and that no shareholder, director, regulatory, securities, or other approval shall be required in connection therewith, save for those authorizations

expressly contemplated in the Amended Purchase Agreement, including, without limitation, as necessary to approve or file the Articles of Reorganization and any other articles of amendment, amalgamation, continuance or reorganization in respect of the Debtor or authorize and effect the cancellation of the Existing Shares.

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

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

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

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

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

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

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

,

as amended, or any other real or personal property registry system (all of which are collectively referred to as "**Encumbrances**", which term shall not include the Permitted Encumbrances and as listed on Schedule "B" hereto);

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

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

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

(j) tenth, any and all Liabilities arising from or relating to: (i) the transactions noted above; (ii) the change of control of the Debtor resulting from the transactions noted above; and (iii) the transfer of Excluded Contracts, Excluded Assets and Excluded Liabilities to ResidualCo.; including, for certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, if any, shall be transferred to ResidualCo. and the Debtor shall have no obligations in connection with such Liabilities or Taxes; and

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

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

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

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

LLP and Miller Thomson LLP, respectively) are hereby specifically authorized to discharge the registrations on the Retained Assets and the Excluded Assets, other than Permitted Encumbrances as applicable.

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

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

12. **THIS COURT ORDERS** that, at the Closing Time and without limiting the provisions of paragraph 6 hereof, the Purchaser, the Debtor, and the Monitor shall be deemed released from any and all claims, liabilities (direct, indirect, absolute, or contingent), or obligations with respect to any Taxes (including penalties and interest thereon) of or that relate to the Debtor, provided, as it relates to the Purchaser and the Debtor, such release shall not

apply to: (a) Taxes in respect of the business and operations conducted by the Debtor on or after the Closing Time; (b) Taxes expressly assumed as Retained Liabilities pursuant to the Amended Purchase Agreement, including, without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Debtor (including their affiliates and any predecessor corporations) pursuant to sections 160 and 160.01 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), or any provincial or foreign tax equivalent, in connection with the Debtor. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to ResidualCo.; or (c) Taxes owed or owing, including assessed or accrued Taxes, against the Debtor on or after the Closing Time.

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

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

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

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

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

14. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 13 hereof shall waive, compromise or discharge any obligations of the Debtor or the Purchaser, in respect of any Retained Liabilities, (b) the designation of any Claim as a Retained Liability is without prejudice to any of the Debtor's or the Purchaser's right to dispute the existence, validity, or quantum of any such Retained Liability, and (c) nothing in this Order or the Amended Purchase Agreement shall affect or waive the Debtor's or the Purchaser's rights and defences, both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liability.

15. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of the Debtor then existing or previously committed by the Debtor, or caused by the Debtor, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any contract, or lease existing between such Person and the Debtor (including, for certainty, those contracts or leases

constituting the Retained Contracts) arising directly or indirectly from the filing by the Applicant under the CCAA and implementation of the Transaction, including, without limitation, any of the matters or events listed in paragraph 13 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract or a lease shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Debtor or the Purchaser from performing their obligations under the Amended Purchase Agreement, or be a waiver of defaults by the Debtor or the Purchaser under the Amended Purchase Agreement and the related documents.

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

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

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

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

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

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

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

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

19. **THIS COURT ORDERS** that for greater certainty, nothing in this Order, including the release of the Debtor from the purview of these CCAA Proceedings pursuant and the addition of ResidualCo. as the respondent in these CCAA Proceedings shall affect, vary, derogate from, limit or amend, and GTL shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, this Order, any other Orders in these CCAA Proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of GTL in its capacity as Monitor, all of which are expressly continued and confirmed. Nothing in this Order shall constitute or be deemed to constitute the Monitor as a person subject to subsection 150(3) of the *Income Tax Act*, RSC 1985, c 1 (5th Supp), and the Monitor shall have no obligation to prepare or file any tax returns of ResidualCo. with any taxing authority.

IMPLEMENTATION STEPS

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

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

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

CORPORATE FILINGS

21. **THIS COURT ORDERS** that the Debtor be and is hereby permitted to execute and file articles of amendment, amalgamation, continuance or reorganization, or such other documents or instruments as may be required to permit or enable and effect the Implementation Steps, and that such articles, documents, or other instruments shall be deemed to be duly authorized, valid, and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Implementation Steps.

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

CLOSING PAYMENT AND ADMINISTRATIVE WIND-DOWN AND CLAIMS AMOUNT

23. **THIS COURT ORDERS AND DIRECTS** that the Closing Payment shall be paid by the Purchaser to the Monitor by wire transfer of immediately available funds on or prior to the Closing Date, to be held by the Monitor in trust in an interest-baring account, consistent with the Implementation Steps and in accordance with the terms of the Amended

Purchase Agreement and the Monitor is hereby directed and authorized to pay the Priority Payment and any amounts secured by the Administration Charge.

24. **THIS COURT ORDERS** that on the Closing Date, after payments of the amounts described in paragraph 23 hereof, the Monitor shall hold the balance of the Closing Payment in trust in an interest-bearing account (the "**Administrative Wind-Down and Claims Amount**") to:

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

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

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

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

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

(a) the pendency of these CCAA Proceedings;

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

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

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

MONITOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(q) apply to this Court for advice and directions or any further orders necessary or advisable to carry out its powers and obligations under this Order or any other

Order granted by this Court, including for advice and directions with respect to any matter.

and in each case where the Monitor takes any such actions or steps, it shall be exclusively, authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, ResidualCo. and their past or present directors and officers and shareholders, and without interference from any other Persons, provided, however, that the Monitor shall comply with all applicable laws and shall not have any authority or power to elect or cause the election or removal of directors of the Debtor or ResidualCo. or to take any action to restrict or to transfer to the Monitor any of their powers, duties, or obligations, except in accordance with section 11.5(1) of the CCAA.

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

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

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

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

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

28. **THIS COURT ORDERS** that the banks and/or financial institutions which maintain each of the Debtor's bank accounts are directed to recognize and permit the Monitor and its representatives to complete any and all transactions on behalf of the Debtor and for such purpose, the Monitor and its representatives are empowered and shall be permitted to execute documents for, or on behalf of and in the name of the Debtor, and shall be empowered and permitted to add and remove persons having signing authority with respect to the accounts of the Debtor. The financial institutions maintaining such accounts shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken in accordance with the instructions of the Monitor for and on behalf of the Debtor, and/or as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions and such financial institutions shall be authorized to act in accordance with and in reliance upon such instructions without any liability in respect thereof to any person.

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

by the CCAA, any other Order of this Court in these CCAA proceedings, or any applicable legislation.

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

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

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

33. **THIS COURT ORDERS** that nothing in this order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of ResidualCo. and/or the Debtor within the

meaning of any relevant legislation and that any distributions to creditors of the Debtor and/or ResidualCo. by the Monitor will be deemed to have been made by the Debtor or ResidualCo. as applicable.

34. **THIS COURT ORDERS** that the enhancement of the Monitor's powers as set forth herein, the exercise by the Monitor of any of its powers, the performance by the Monitor of any of its duties, or the use or employment by ResidualCo. of any person under the direction of the Monitor in connection with the Monitor's appointment and the exercise and performance of its powers and duties shall not constitute the Monitor as the employer, successor employer or related employer of the employees of ResidualCo. within the meaning of the *Employment Standards Act* (Ontario) or any other provincial, federal, municipal legislation or common law governing employment or labour standards or any other statute, regulation or rule of law or equity for any purpose whatsoever or expose the Monitor to any liability to any individuals arising from or relating to their employment by ResidualCo. and the Monitor shall not be liable for any employee related liability of the Debtor. In particular, the Monitor shall not be liable to any of the employees for any wages, including severance pay termination pay and vacation pay except for such wages as the Monitor may specifically agree to pay.

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

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

37. **THIS COURT ORDERS** that the powers and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the Debtor with respect to such matters and, in the event of a conflict between the terms of this Order and those of the ARIO or any other Order of this Court, the provisions of this Order shall govern.

DISCHARGE OF THE CHIEF RESTRUCTURING OFFICER

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

RELEASES

39. **THIS COURT ORDERS** that, effective upon the filing of the Monitor's Closing Certificate, (a) Alexey Golubovich, Maxim Lojevsky, and Larissa Khomutova in their capacities as directors of the Debtor (together, the "**Released Directors**"); (b) the consultants and other advisors of the Debtor; (c) the directors, officers, employees, consultants, legal counsel, and other advisors to ResidualCo.; (d) the Monitor and its legal counsel and respective

current directors, officers, partners, employees, consultants, and advisors; and (e) the CRO (the Persons listed in (a), (b), (c), (d), and (e) being, collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, duties, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the Closing Time or arising in connection with or relating to these CCAA Proceedings, the Amended Purchase Agreement, the consummation of the Transaction, any closing document, agreement, document, instrument, matter, or transaction involving the Debtor arising in connection with or pursuant to any of the foregoing and/or, including, without limitation, any liabilities or claims against the Released Directors relating to the Debtor's tax arrears and statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages for the period prior to the date of the ARIO, (collectively, "**Released Claims**"), which Released Claims are hereby and shall be deemed to be fully, finally, irrevocably, and forever waived, discharged, released, cancelled, and barred as against the Released Parties, and are not vested nor transferred to ResidualCo. or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct, or gross negligence or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA. For greater certainty, "**current**" in this paragraph refers to individuals who remain in their respective role(s) up to the date of the filing of the Monitor's Closing Certificate. In addition, in respect to the Monitor and its legal counsel and respective current directors, officers, partners, employees, consultants, and advisors, the Released Claims shall be limited to only those in relation to the Amended Purchase Agreement and the consummation of the Transaction.

GENERAL

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

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

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

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF **[RESIDUALCO.]**

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

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

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

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

SCHEDULE A
FORM OF MONITOR'S CLOSING CERTIFICATE

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

ONTARIO SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

MONITOR'S CERTIFICATE

RECITALS

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

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

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

THE MONITOR CERTIFIES the following:

1. The Monitor has received the Closing Payment.

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

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

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

Per: ________________________________

Name: Jason Kanji

Title: Vice President

SCHEDULE “B”

PERMITTED ENCUMBRANCES

Secured Party: Bank of Montreal/Banque de Montreal

File Number: 759543957

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

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

Applicant | Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

APPROVAL AND VESTING ORDER

CASSELS BROCK & BLACKWELL LLP
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Monique Sassi LSO #63638L
Tel: 416.860.6886
msassi@cassels.com

Joshua Gordon LSO #91617D
Tel: 416.869.5343
jgordon@cassels.com

Lawyers for the Court-Appointed Monitor, Grant Thornton Limited

TAB 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	THURSDAY, THE 30TH
	)	
JUSTICE MEYERS	)	DAY OF OCTOBER, 2025

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

- and -

THE SECOND CUP COFFEE COMPANY INC.

Respondent

ANCILLARY ORDER

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

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

SERVICE AND DEFINITIONS

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

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

EXTENSION OF STAY PERIOD

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

SEALING ORDER

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

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

8. **THIS COURT ORDERS** that the Third Report and the activities, conduct, decisions of the Monitor described therein are hereby approved, provided, however that only the Monitor in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

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

GENERAL

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

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

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

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

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

ANCILLARY ORDER

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

Monique Sassi LSO #: 63638L
Tel: 416.860.6886
msassi@cassels.com

Joshua Gordon LSO #91617D
Tel: 416.869.5343
jgordon@cassels.com

Lawyers for the Court-Appointed Monitor, Grant Thornton Limited

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

CASSELS BROCK & BLACKWELL LLP
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Monique Sassi LSO #: 63638L
Tel: 416.860.6886
msassi@cassels.com

Joshua Gordon LSO #: 91617D
Tel: 416.869.5343
jgordon@cassels.com

Lawyers for the Court-Appointed Monitor, Grant Thornton Limited