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

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INTRODUCTION

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

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

3. On May 22, 2025, Justice Cavanagh heard various submissions from counsel present and granted an initial order pursuant to the CCAA (the "**Initial Order**"). Pursuant to the Initial Order, GTL was appointed as monitor of Second Cup (in such capacity, the "**Monitor**") 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.

The Stalking Horse Bid

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

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

Appendix A

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

AMENDED AND RESTATED INITIAL ORDER

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

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

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

SERVICE

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

APPLICATION

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RESTRUCTURING

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

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

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

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

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

APPOINTMENT OF MONITOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DIP FINANCING

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

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

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

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

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

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

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

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

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

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

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

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

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

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

SERVICE AND NOTICE

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

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

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

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

GENERAL

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

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

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

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

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicant

Appendix B

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

B E T W E E N:

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

CLAIMS IDENTIFICATION ORDER

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

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

SERVICE

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

DEFINITIONS AND INTERPRETATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MONITOR'S ROLE

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

NOTICE TO CREDITORS

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

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

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

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

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

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

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

CLAIMS BAR DATES

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

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

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

PROOFS OF CLAIM

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

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

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

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

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

NOTICE SUFFICIENT

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

(a) Notice to Creditors attached as Schedule “A”;

(b) Instruction Letter attached as Schedule “B”;

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

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

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

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

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

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

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

D&O INDEMNITY CLAIM

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

ADJUDICATION AND RESOLUTION PROCESS FOR CLAIMS

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTICE OF TRANSFEREES

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

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

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

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

PROTECTIONS FOR MONITOR

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

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

DIRECTIONS

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

SERVICE AND NOTICE

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

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

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

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

Email: claimsubmission@ca.gt.com

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

MISCELLANEOUS

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

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

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

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

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

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

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

SCHEDULE "A" – NOTICE TO CREDITORS

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

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

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

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

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

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

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

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

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

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

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

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

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

Email: claimsubmission@ca.gt.com

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

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

SCHEDULE "B" - INSTRUCTION LETTER FOR CLAIMS IDENTIFICATION PROCESS

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

INSTRUCTION LETTER FOR THE CLAIMS IDENTIFICATION PROCESS

THE SECOND CUP COFFEE COMPANY INC.

I. CLAIMS IDENTIFICATION PROCESS

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

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

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

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

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

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

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

Email: Michael.Dellaire@doane.gt.ca

II. FOR CLAIMANTS SUBMITTING A PROOF OF CLAIM

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

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

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

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

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

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

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

SCHEDULE "C" - PROOF OF CLAIM FORM

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N

ARBAT CAPITAL GROUP LTD.

Applicant

and

THE SECOND CUP COFFEE COMPANY INC.

Respondent

PROOF OF CLAIM

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

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

I. PARTICULARS OF CLAIMANT:

1. Full Legal Name of Claimant:

____
(the "Claimant")

2. Full Mailing Address of the Claimant:

____

____

____

3. Telephone Number: ________________________________

4. E-Mail Address: ________________________________

5. Facsimile Number: ________________________________

6. Attention (Contact Person): ________________________________

7. Have you acquired this Claim by assignment?

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

Full Legal Name of Original Claimant(s):

II. PROOF OF CLAIM:

1. I,

____

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

____do hereby certify:
(city and province)

(a) that I [check (□) one]

□ am the Claimant; OR

□ am ____ (state position or title) of

____

(name of Claimant)

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

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

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

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

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

____

III. PARTICULARS OF CLAIM

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

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

IV. FILING OF CLAIM

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

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

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

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

Email: claimsubmission@ca.gt.com

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

DATED at ______________________________ this _______ day of ______________, 2025.

____

Signature of Claimant

SCHEDULE "D" - NOTICE OF REVISION OR DISALLOWANCE

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

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

RE: Claim Reference Number: ______________________________

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

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

Prefiling Claims

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

Restructuring Claims

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

Reasons for Revision or Disallowance:

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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)

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____

(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.

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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

Vertical integration changes the real estate game

Toronto company combines development and construction to deliver fast and flexible commercial projects

ERIK HEINRICH

When Pusateri's Fine Foods cancelled its lease at 899 College St., after filing for bankruptcy just days before its grand opening, Loblaw Cos. Ltd. jumped at the chance to occupy prime real estate on the western edge of Toronto's Little Italy.

At 15,000 square feet, the commercial property – owned by Toronto-based Clifton Blake Group – was ideal for a small-format No Frills, a new concept that Loblaw began rolling out last year to deliver discounted groceries in a leaner layout.

Loblaw Cos. Ltd. wanted to hit the ground running with a refit at 899 College St. near Toronto's Little Italy. It had decided the 15,000-square-foot space was ideal for a small-format No Frills. CLIFTON BLAKE GROUP

But there was a catch. Loblaw wanted to hit the ground running with a refit. That gave Clifton Blake a 24-hour window to study Loblaw's blueprints and begin customizing the space for the new tenant on a compressed deadline.

Most real estate companies don't have the agility to turn on a dime like that – even when a long-term lease with a triple-A tenant is at stake. For Clifton Blake – a developer and private real estate investment trust (REIT) specializing in boutique, purpose-built rental mid-rises anchored by street-level commercial property – adapting to changing circumstances quickly and delivering timely design solutions is a core strength.

Clifton Blake's Pacific Residences – a cubist-inspired, mixed-use mid-rise in Toronto's Junction neighbourhood – required timely customization for three commercial tenants. CLIFTON BLAKE GROUP

"Back at the office, we huddled with our in-house construction team and Navy SEALed the situation within hours," says Wes Myles, president and chief investment officer at Clifton Blake, whose other commercial tenants include Shoppers Drug Mart, LCBO and WeWork. "If you're not able to tailor solutions rapidly for prospective tenants with a demanding schedule and significant dollars at play, they will usually vote with their feet and walk."

The reason Clifton Blake says it was able to "Navy SEAL" the Loblaw situation so handily is because it has taken the vertical integration of its operations to the next level by combining property development and construction. Unlike many of its competitors, which rely on independent construction companies, Clifton Blake maintains full control over its developments, eliminating the need to co-ordinate with multiple subcontractors that may be juggling several construction jobs at the same time, says Mr. Myles.

Clifton Blake's REIT has nearly $1.6-billion in assets either under management or in the pipeline, with 1,500 rental suites and more than 300,000 square feet of retail and commercial space outside Toronto's downtown core. Vertical integration has allowed it to achieve fast and flexible delivery of real-estate projects. It has also improved quality control and profit margins through reduced labour and financing costs that come with a shorter construction cycle.

For Clifton Blake, the last piece of the puzzle fell into place a year ago, when it partnered with Toronto's Wilkinson Construction to create a new division called CB Wilkinson – a fully integrated real estate company with crews of carpenters, drywallers and framers.

"Having direct control over the entire process ensures a shared vision trickles down from the boardroom all the way to the foreman and trades working on the ground," says Mr. Myles, who is also CEO of CB Wilkinson.

Many developers claim to be vertically integrated, but few – apart from industry giants such as Great Gulf and Tridel Group of Cos. – have the capability to tweak floor plans and make design changes without costly delays and budget overruns while construction is under way, says Mr. Myles.

"Mobilizing and demobilizing is a big cost that's normally controlled by subcontractors and they will nail you on charges if you need to pivot," says Mr. Myles, who points to miscommunication as a major reason why projects are either pushed over budget or held up.

Despite the need for last-minute changes, neither of those scenarios happened during the initial refit of Pusateri's at 899 College St. To make the space workable, CB Wilkinson customized a number of elements that have been retained by Loblaw's No Frills, including a loading dock at the side of the building to minimize disruption to residential tenants.

"In recent years, rising material and labour costs have strained relations in the construction industry," says Jeff Wilkinson, president of CB Wilkinson, whose father started Wilkinson Construction in the 1960s. "Having the developer and construction manager on the same team is a huge help in keeping those costs from spinning out of control."

Another advantage of vertical integration is that the developer gets reliable construction budgeting and scheduling information from day one of property acquisition. "Most developers don't get that kind of feedback until they begin drawing up detailed plans," Mr. Wilkinson adds.

When completed later this year, Clifton Blake's Pacific Residences – a cubist-inspired, mixed-use mid-rise situated in Toronto's Junction neighbourhood – will have three commercial tenants and 120 purpose-built rental suites, partially framed by a heritage façade that's more than 100 years old.

The fit-out posed a number of challenges, with BMO requiring vault-like security and Starbucks asking for an unexpected boost in electrical power. But a trickier problem was creating seamless access from the street to the second floor for a third commercial tenant in the health and fitness business.

The solution was to alter the building's design midstream by adding small retail frontage at street level with decorative stairs next to an elevator. "On a typical condo project, you don't even talk about retail until it's almost finished," says Mr. Wilkinson, noting his company's customization always happens in tandem with the residential build and requires the management of many moving pieces.

"As long-term owners, delivering a complete building that fits into a community is always a priority," Mr. Myles says. "The goal is street activation to get people out walking and biking."

He expects to shave as much as 12 weeks from what would otherwise be a construction schedule of about 128 weeks for Pacific Residences, thanks to the benefits that come from vertical integration. The associated cost savings of 10 per cent to 15 per cent will partly be passed on to commercial tenants.

A potential downside of integration is carrying idle crews in a slower market, but for CB Wilkinson, having total control of an asset under development far outweighs that consideration.

"Most developers have depth not breadth," Mr. Myles says. "We have both, which is especially important for mixed-use projects where you're dealing with an eclectic blend of end users."

Special to The Globe and Mail

COMMERCIAL REAL ESTATE

TO PLACE AN AD CALL: 1-866-999-9237
EMAIL: ADVERTISING@GLOBEANDMAIL.COM

LEGALS

SUPERIOR COURT OF QUEBEC
"Commercial Division"

IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT OF:

SINOBEC GROUP INC. & AL., a body duly incorporated according to law, having its principal place of business at 4455 Cousens Street, in the City of Montreal, Province of Quebec, H4S 1X5.

DEBTORS

NOTICE TO CREDITORS OF THE INITIAL ORDER

TAKE NOTICE THAT an order pursuant to the Companies' Creditors Arrangement Act was rendered on May 26, 2025 by the Superior Court of Québec with respect to Sinobec Group Inc. et al.

We refer you to the Appendix A of the Initial Order available on the Monitor's website for the list of the entities included in this proceeding.

The order provides for an initial stay of all proceedings until June 5, 2025 and appoints PricewaterhouseCoopers Inc. (Philippe Jordan, CPA, CIRP, LIT) as Monitor of the business and financial affairs of the Debtors.

Copy of the initial order is available on the Monitor's website at: https://www.pwc.com/ca/en/sinobecgroup

DATED AT MONTREAL, this 3rd day of June 2025.

PricewaterhouseCoopers Inc.
Licensed Insolvency Trustee
Philippe Jordan, CPA, CIRP, LIT

1250 René-Lévesque Blvd. West
Suite 2500, Montréal
Québec, Canada H3B 4Y1
Tel.: +1 514 205-5000
Fax: +1 514 205-5694
www.pwc.com/ca

pwc

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.
(the "Company")

PLEASE TAKE NOTICE that an Initial Order was made by the Ontario Superior Court of Justice (Commercial List), on May 22, 2025, following the hearing of an application by the majority creditor, and that Grant Thornton Limited was appointed as Monitor. The Company owns or controls the "Second Cup Café" brand and rights globally. The Company franchises these rights to franchisees in approximately 20 countries worldwide and outside of Canada. To clarify, the Company **does not** have any franchisees or corporate-owned cafes located in Canada.

PLEASE TAKE NOTICE that any person with a claim, grievance, application, suit, right or remedy, or proceeding or enforcement process in any, tribunal, or arbitration association, relating to the Company are stayed on terms as set out in the Initial Order.

PLEASE TAKE FURTHER NOTICE that a copy of the Initial Order and additional information regarding this proceeding has been made available on the Monitor's website at: www.DoaneGrantThornton.ca/SecondCup. If you require further information, please contact a representative of the Monitor: Jesse Cooper, T: 416-360-2364, E: Jesse.Cooper@doane.gt.ca, or: Michael Dellaire, T: 416-607-2689, E: Michael.Dellaire@doane.gt.ca.

Appendix D

CANADA
Province of Ontario
District of:
Division No. -
Court No. CV-25-00743485-00CL
Estate No.

Affidavit of Mailing

In the Matter of the CCAA Proceedings of
The Second Cup Coffee Company Inc.
of the city of Toronto, in the Province of Ontario

I, Lucia Pileggi, of the Trustee's office of Grant Thornton Limited, 11 th Floor, 200 King Street West, Box 11, Toronto, ON, M5H 3T4, MAKE OATH AND SAY (or AFFIRM)

That on the 3rd day of June 2025, I did cause to be sent by prepaid ordinary mail to everyone on the attached mailing list, whose names and addresses appear on the paper writing marked exhibit "A" annexed hereto, a copy of:"Notice Letter for Claims Identification Process".

And that, on the 3rd day of June 2025, I mailed to the debtor a copy of the above named notice.

Lucia Pileggi

Lucia Pileggi
Phone: (416) 366-0100
Fax: (416) 360-4948

SWORN (or SOLEMNLY DECLARED) before me in the City of Toronto in the Province of Ontario, this 3rd day of June 2025.

Jason Kanji

Jason Nadir Kanji, Commissioner of Oaths
For the Province of Ontario
Expires September 27, 2026

Jason Nadir Kanji
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited
Expires September 27, 2026

This Exhibit "A" referred to in the Affidavit of Lucia Pileggi

sworn before me this 3rd day of June, 2025

A Commissioner, etc.

Jason Nadir Kanji
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited
Expires September 27, 2026

Exhibit "A"

A&F Gift and Souvenir Co Limited
3060 Sawmill Road
St. Jacobs, ON
N0B 2N0
Canada

Arbat Capital Group Ltd.
20 Mortlake High Street
London,
SW14 8JN
UK

Blue Riband Uniforms Inc.
7483 Rue Lautrec #6
Brossard, QC
J4Y 3H7
Canada

BMW Canada Inc.
50 Ultimate Drive
Richmond Hill, ON
L4S 0C8
Canada

Brazilian Canadian Coffee Co Ltd
1260 Martin Grove Road
Toronto, ON
M9W 4X3
Canada

Canadian Cleaning Company
7 Copeland Street East
York, ON
M4G 3E7
Canada

Canadian Revenue Agency
1050 Notre Dame Ave
Sudbury, ON
P3A 5C2
Canada

Comwave Business Services
61 Wildcat Road
Toronto, ON
M3J 2P5
Canada

David Shaw Designs
85 Martin Ross Avenue
North York, ON
M3J 2L5
Canada

Dez Capital Corporation
12 Bruce Park Avenue 2nd Floor
Toronto, ON
M4P 2S3
Canada

Drudi Alexiou Kuchar LLP
4950 Young St Unit 508
Toronto, ON
M2N 6K1
Canada

Employees
12 Bruce Park Avenue 2nd Floor
Toronto, ON
M4P 2S3
Canada

Europence
Via Aosta 1
Ciserano,
24040
Italy

Espresso Capital
8 King Street East Suite 300
Toronto, ON
M5C 1B5
Canada

EXEM Legal Solutions-USD
121 Block-B GulbergII
Lahore,
Pakistan

Fun Foods Canada
200 Memorial Avenue #3-143
Orillia, ON
L3V 5X6
Canada

Grosche International Inc.
25 Miling Road, Suitw 106
Cambridge, ON
N3C 1C3
Canada

GWR Consulting FZ LLC
Circular Building G2, Office F03
Dubai,
UAE

Haiwen & Partners
5 Dong San Huan Central Road
Beijing,
100020
China

Infinity Business Growth Network
128 City Road
London,
EC1V 2NX
UK

Jas Forwarding Worldwide Inc. USD
2-6221 Kennedy Road
Mississauga, ON
L5T 2S8
Canada

Kingsmill Foods Company Limited
17-1399 Kennedy Road
Toronto, ON
M1P 2L6
Canada

Ontario Ministry of Finance
33 King St W
Oshawa, ON
L1H 1A1
Canada

Park Investors LLC
20 Mortlake High Street
London,
SW14 8Jn
UK

Peyhum
910-25 Four Winds Drive
North York, ON
M3J 1K8
Canada

Raymond Chabot Grant Thornton
2207 King Street West, Suite 350
Sherbroke, QC
J1J 2G2
Canada

RGX Group
#2 2425 Meadowpine Blvd
Mississauga, ON
L5N 6L7
Canada

Rogers Communications Canada Inc.
P.O. Box 200, Stn. D
Scarborough, ON
M1R 5P4
Canada

Russell Hendrix Foodservice Equipment
PO Box 130
Brockville, ON
K6V 2V5
Canada

Saba & Co.
Block A, Said Freiha Street
Beirut,
11 - 9420.
Lebanon

SERVE CANADA FOOD EQUIPMENT LIMITED
40 East Pearce Street
Richmond Hill, ON
L4B 1B7
Canada

Shasky & Associates Ltd
2880 Portland Drive
Oakville, ON
L6H 5W8
Canada

Stitchy Lizard
41 Industrial Street Unit 105
Toronto, ON
M4G 0C7
Canada

Svetlana Bortsova
20 Mortlake High Street
London,
SW14 8JN
UK

The Metropolitan Tea Company
41 Butterick Road
Toronto, ON
M8W 4W4
Canada

Turkey Hill Sugarbush Ltd.
1037 Bd Industriel
Granby, QC
J2J 2B8
Canada

Trans Global Logistique Inc.
3975 Boul. De la Grande
Boisbriand, QC
J7H 1M6
Canada

ULINE CANADA CORPORATION
3333 James Snow Parkway North
Milton, ON
L9T 8L1
Canada

United Restaurant Supplies
300 Kennedy Road S Unit D
Brampton, ON
L6W 4V2
Canada

UPS Canada
P.O. Box 4900 Station A
Toronto, ON
M5W 0A7
Canada

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

Court No. CV-25-00743485-00CL

Estate No.

In the Matter of the CCAA Proceedings of
The Second Cup Coffee Company Inc.
of the city of Toronto, in the Province of Ontario

Affidavit of Trustee

Trustee: Jason Nadir Kanji

License: 4211

Email: Jason.Kanji@doane.gt.ca

Grant Thornton Limited - Licensed Insolvency Trustee
11 th Floor, 200 King Street West, Box 11
Toronto ON M5H 3T4
Phone: (416) 366-0100 Fax: (416) 360-4948

Appendix E

CEO lauds Quebec and Newfoundland's energy deal

Pact signals to the U.S. that Canada can get 'big things done': Hydro-Québec's Sabia

ST. JOHN'S

The chief executive of Hydro-Québec says a sweeping new energy deal with Newfoundland and Labrador Hydro is a signal to the United States that Canada can get "big things done."

Michael Sabia was in St. John's on Tuesday, where he pitched the draft deal as a turning point in Quebec's relationship with Newfoundland and Labrador, and a step toward Canada becoming an "energy superpower."

"Let's be clear: Canada is under threat," Mr. Sabia told a room full of representatives from Newfoundland and Labrador's energy industry.

"This is a time of real economic and political uncertainty. It's a time when Canadians need to work together to build the future," he said. "Ultimately, that's what this deal is about. It's about building now to secure Canada's energy future."

Mr. Sabia was speaking to the crowd at a conference held by Energy N.L., Newfoundland and Labrador's energy industry association. He was joined on stage by Jennifer Williams, president and chief executive of Newfoundland and Labrador Hydro.

The two discussed an agreement in principle announced last year that would end a contract signed in 1969 that allows Hydro-Québec to buy the lion's share of the energy from the Churchill Falls hydroelectric plant at prices far below market value.

The contract has long been a source of bitterness in Canada's easternmost province.

The new arrangement would end the contentious deal 16 years early and see Hydro-Québec pay for more power while developing new projects with Newfoundland and Labrador Hydro along the Churchill River. Newfoundland and Labrador would also get more power from Churchill Falls.

The memorandum of understanding has its critics. The Opposition Progressive Conservatives have been uneasy with the draft deal, demanding the Liberal government have it independently reviewed. The party also called for a halt to continuing negotiations of final contracts, saying a proposed national energy corridor could bring better opportunities.

Some in Newfoundland and Labrador have also wondered if Hydro-Québec can be trusted and whether the province will truly get enough value for its resources.

"Show me a deal where there hasn't ever been skeptics," Ms. Williams challenged when asked about those who have criticisms.

Mr. Sabia addressed the tangled history of the provinces several times and said repeatedly that the new arrangement was "balanced" and served the needs of both Newfoundland and Labrador and Quebec. Both sides made concessions, he said, adding that the deal contained items neither side wanted.

He refused to elaborate on what those were.

Mr. Sabia said the agreement is the "single most important signal we can send to the United States right now," as long as it goes ahead as planned. Ms. Williams agreed the proposed projects need to proceed smoothly and quickly, repeating "rigour and speed are not incompatible."

Both said they were heartened by signs from Prime Minister Mark Carney that he would speed up project approvals.

Ms. Williams touted the deal's promised economic benefits, which includes $17-billion in revenue to the provincial treasury by 2041. Newfoundland and Labrador expects to be carrying a net debt of $19.4-billion by the end of the current fiscal year.

Officials hope to have final agreements hammered out next year. In the meantime, preliminary topographic and soil studies are expected to begin in Labrador this summer, Mr. Sabia said.

THE CANADIAN PRESS

Mexico is seeing a boom in Canadian tourism, with data showing an 11.8-per-cent spike in residents flying there in the first two months of 2025 from a year earlier. ALFREDO ESTRELLA/AFP VIA GETTY IMAGES

DISNEY TO LAY OFF HUNDREDS OF EMPLOYEES

The **Walt Disney Co.** is laying off several hundred employees worldwide as the entertainment giant looks to trim some costs and adapt to evolving industry conditions.

A Disney spokesperson confirmed the action on Tuesday.

The exact number of jobs being cut is unknown, but layoffs will occur across several divisions, including television and film marketing, TV publicity, casting and development, and corporate financial operations.

No entire teams will be eliminated.

Last month, Disney posted solid profits and revenue in the second quarter as its domestic theme parks thrived and the company added well over a million subscribers to its streaming service. The company also boosted its profit expectations for the year.

Disney's also been riding a wave of box office hits, including *Thunderbolts** and *Lilo & Stitch*, which is now the second-highest grossing movie of the year with US$280.1-million in domestic ticket sales.

In 2023, Disney chief executive Bob Iger announced that Disney would cut about 7,000 jobs as part of an ambitious companywide cost-savings plan and "strategic reorganization."

ASSOCIATED PRESS

Travel: Survey shows only 27% of Canadians considering U.S. trips in the next few years

FROM B1

Though many Canadians are turning their travel dollars to exploring Canada's backyard, the number of overseas trips are still growing.

Travel by Canadians to Japan increased by 29.7 per cent between January and April, 2025, compared with the same period last year, according to data from the Japan National Tourism Organization.

Portugal, meanwhile, saw an 11.3-per-cent year-over-year spike in Canadian travellers and a 6.4-per-cent rise in overnight stays from January to March of this year compared with the same period last year – their "best year ever," according to Inês Almeida Garrett, director of Canada Tourism Portugal, in an e-mail.

Meanwhile, the Conference Board of Canada's April travel intentions survey showed that just 27 per cent of Canadian respondents are considering a trip to the U.S. in the next few years, down from more than 50 per cent in the same survey last year.

"What we're seeing is sort of all these destinations' marketing organizations are really taking advantage of the current tone in what's happening between Canada and the U.S., and they're increasing all of their marketing for Canadians," said Amra Durakovic, a spokesperson for Flight Centre Canada.

But some are also gaining momentum from the weakness of the Canadian dollar against the greenback.

"The Canadian dollar is quite strong compared to the yen, so there's great value to be had," said Lauren Yakiwchuk, who shares travel tips on her social media and spent two weeks of February travelling through Tokyo, Kyoto and Hiroshima.

After paying $1,500 for flights, she said the average nightly hotel stay in Japan cost her about $250 while a typical meal would set her back $20.

"You can save money by dining at sushi conveyor belt restaurants – one plate of sushi costs around 150 yen," she said, translating to about $1.50 Canadian.

Affordability is also contributing to growing interest in places like Portugal, with lesser-known towns like Funchal and Cascais among the trending destinations in Airbnb's 2025 Canadian summer trends report.

When it comes to faraway destinations like Japan, the surge in Canadian tourism is also fuelled by more connectivity, Ms. Durakovic said. Air Canada recently confirmed it would be resuming its non-stop summer service to Osaka from Toronto and Vancouver, which launched last year. WestJet introduced new direct flights from Halifax to Amsterdam in May.

On this side of the globe, Mexico is also seeing an unprecedented boom in Canadian tourism. Data published by the Mexico Secretary of Tourism showed an 11.8-per-cent spike in Canadian residents flying to the country in the first two months of 2025 from a year earlier.

At Ms. Durakovic's company, they've seen a 500-per-cent spike in bookings for Tulum in the Yucatan region. Data from travel search engine Kayak for summer 2025 also showed surging interest among Canadians in destinations across Africa, such as Tanzania. Search share for the East African country grew 103 per cent.

Canadians planning to boycott cross-border vacations and keep their dollars back home could net the country's domestic tourism as much as $8.8-billion in extra business this year, according to a Conference Board of Canada report released in May.

"There may be a small percentage of Canadians who will give up the U.S. entirely as a travel destination," said David Fennell, a professor of geography and tourism studies at Brock University.

But, he said, tourists are motivated by price and so will likely be lured back to the U.S. by good, competitive deals.

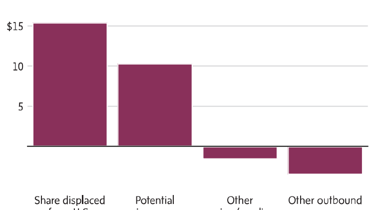
Trending flight destinations, summer 2025

DESTINATION	CHANGE IN FLIGHT SEARCH SHARE (VS. SUMMER, 2024)	CHANGE IN AVG. AIRFARE (VS. SUMMER, 2024)	AVG. AIRFARE
Dar es Salaam, Tanzania	+103%	+17%	$2,336
Palermo, Italy	+75%	-1%	$1,388
Naples, Italy	+72%	-4%	$1,270
Oranjestad, Aruba	+68%	-18%	$682
Simpson Bay, St. Maarten	+62%	-28%	$727
Rio de Janeiro, Brazil	+49%	-12%	$1,113
Mexico City, Mexico	+48%	-16%	$689
Quito, Ecuador	+45%	+23%	$860
Marrakech, Morocco	+43%	-2%	$1,324
Ponta Delgada, Portugal	+41%	±0%	$1,149

THE GLOBE AND MAIL, SOURCE: KAYAK

Substantial share of displaced spending could benefit domestic tourism

In billions of dollars



THE GLOBE AND MAIL, SOURCE: CONFERENCE BOARD OF CANADA

BUSINESS CLASSIFIED

LEGALS

Schedule "A" – NOTICE TO CREDITORS

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN

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 underthe 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 identification process (the "**Claims Identification Process**") with the respect to claims against the Deptor and its present and former Director 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 "**Claim 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. Email: claimsubmission@ca.gt.com

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.

Appendix F

CANADA	
Province of	Ontario
District of:	
Division No.	-
Court No.	CV-25-00743485-00CL
Estate No.	

Affidavit of Mailing

In the Matter of the CCAA Proceedings of
The Second Cup Coffee Company Inc.
of the city of Toronto, in the Province of Ontario

I, Michael Dellaire, of the Trustee's office of Grant Thornton Limited, 11th Floor, 200 King Street West, Box 11, Toronto, ON, M5H 3T4, MAKE OATH AND SAY (or AFFIRM)

That on the 17th day of June 2025, I did cause to be sent by E-mail to everyone on the attached mailing list, whose names and addresses appear on the paper writing marked exhibit "A" annexed hereto, a copy of: "Notice Letter for Claims Identification Process".

Michael Dellaire
Phone: (416) 366-0100
Fax: (416) 360-4948

SWORN (or SOLEMNLY DECLARED) before me in the City of Toronto in the Province of Ontario, this 23rd day of June 2025.

Jason Nadir Kanji, Commissioner of Oaths
For the Province of Ontario
Expires September 27, 2026

Jason Nadir Kanji
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited
Expires September 27, 2026

Court No. CV-25-00743485-00CL

Estate No.

In the Matter of the CCAA Proceedings of
The Second Cup Coffee Company Inc.
of the city of Toronto, in the Province of Ontario

Affidavit of Trustee

Trustee: Jason Nadir Kanji

License: 4211

Email: Jason.Kanji@doane.gt.ca

Grant Thornton Limited - Licensed Insolvency
Trustee
11th Floor, 200 King Street West, Box 11
Toronto ON M5H 3T4
Phone: (416) 366-0100 Fax: (416) 360-4948

Exhibit "A"

Outlook

Grant Thornton Limited RE: The Second Cup Coffee Company Inc. Claims Identification Process

From Dellaire, Michael <Michael.Dellaire@doane.gt.ca>

Date Tue 2025-06-17 12:25

Cc Dellaire, Michael <Michael.Dellaire@doane.gt.ca>

Bcc michael@afgift.com <michael@afgift.com>; maxim@bluegrovecm.com <golubovich@arbatcapital.com>; Ternera, Viviana <viviana.ternera@bmo.com>; contact@uniformscanada.ca <contact@uniformscanada.ca>; customer.service@bmw.ca <customer.service@bmw.ca>; Demetri Kyriazakos <demetri@brazcanco.com>; info@canadiancleaningcompany.ca <info@canadiancleaningcompany.ca>; wendy.rueger@cra-arc.gc.ca <wendy.rueger@cra-arc.gc.ca>; cstephenson@comwave.net <cstephenson@comwave.net>; pamela.cowan@sympatico.ca <pamela.cowan@sympatico.ca>; ileana.cios@dezcapital.com <ileana.cios@dezcapital.com>; calexiou@daklip.com <calexiou@daklip.com>; monica.bertocchi@europence.com <monica.bertocchi@europence.com>; info@espressocapital.com <info@espressocapital.com>; info@exemlegalsolutions.com <info@exemlegalsolutions.com>; sam@funfoods.ca <sam@funfoods.ca>; support@grosche.ca <support@grosche.ca>; gulrukhrabbi@gmail.com <gulrukhrabbi@gmail.com>; Massoud Rana Fakhry <rfakhry@gwrconsulting.com>; maqiang@haiwen-law.ca <maqiang@haiwen-law.ca>; helendedes@hotmail.com <helendedes@hotmail.com>; joel@infinitybusinessgrowthnetwork.co.uk <joel@infinitybusinessgrowthnetwork.co.uk>; regina.javier@jas.com <regina.javier@jas.com>; jragas100@gmail.com <jragas100@gmail.com>; tvita@kingsmillfoods.com <tvita@kingsmillfoods.com>; lucy.dinardo@gmail.com <lucy.dinardo@gmail.com>; mursalsediqui@yahoo.com <mursalsediqui@yahoo.com>; 18668883850@efaxds.com <18668883850@efaxds.com>; Khomutova Larissa <larissa.khomutova@atv-invest.com>; support@peyhum.com <support@peyhum.com>; rami@mysecondcup.com <rami@mysecondcup.com>; pooja@rapidxpress.ca <pooja@rapidxpress.ca>; notifications@rci.rogers.com <notifications@rci.rogers.com>; pdickey@russellhendrix.com <pdickey@russellhendrix.com>; headoffice@sabaip.com <headoffice@sabaip.com>; tconstantinou@servecanada.com <tconstantinou@servecanada.com>; chefryan@shasky.com <chefryan@shasky.com>; emb@stitchylizard.com <emb@stitchylizard.com>; surajsrapatwar@gmail.com <surajsrapatwar@gmail.com>; Khomutova Larissa <larissa.khomutova@atv-invest.com>; vand191@mettea.com <vand191@mettea.com>; sntforbes@aol.com <sntforbes@aol.com>; connie@turkeyhill.ca <connie@turkeyhill.ca>; j.martin@sotechnitram.com <j.martin@sotechnitram.com>; info@travelcars.it <federico.tonti@evocagroup.com>; customer.service@uline.ca <customer.service@uline.ca>; kathy.bielska@gfs.com <kathy.bielska@gfs.com>; cpodrebarac@ups.com <cpodrebarac@ups.com>; zidriss@mysecondcup.com <zidriss@mysecondcup.com>

3 attachments (1 MB)

Notice Letter for Claims Identification Process.pdf; Instruction Letter for Claims Identification Process.pdf; Proof of Claim Form.pdf;

Good afternoon,

Pursuant to an Initial Order of the Superior Court of Justice (Commercial List) in Ontario (the "**Court**") dated May 22, 2025, Grant Thornton Limited was appointed as monitor (the "**Monitor**") of The Second Cup Coffee Company Inc. (the "**Company**").

Further, on May 29, 2025, the Court issued the Claims Identification Order with respect to the Company. Pursuant to the Claims Identification Order, the Monitor is empowered to undertake a claims identification process to allow parties who believe they may have a claim against the Company to assert such claims against the Company or its officers or directors, by submitting a Proof of Claim (attached hereto) for the Monitor's review and consideration. Further details of the Claims Identification Process are highlighted in the attached Notice Letter and Instruction Letter.

Proofs of Claim must be received by the Monitor by 5:00 p.m. (Eastern Time) on June 30, 2025 (the "**Claims Bar Date**"), failing which a creditor will be forever barred from advancing a Claim against the Company or its directors or officers. The Monitor shall review all Proofs of Claim received, and may accept, revise, or disallow each Claim as set out in the Claims Identification Order.

For more information regarding the Claims Identification Process and the CCAA Proceedings, please feel free to contact the undersigned or visit the Monitor's case website: www.DoaneGrantThornton.ca/SecondCup

Best regards,

Michael Dellaire | Associate, Restructuring
Grant Thornton Limited
11th Floor 200 King Street West | Toronto | ON M5H 3T4
T +1 416 607 2689
E Michael.Dellaire@doane.gt.ca | **W** DoaneGrantThornton.ca

Outlook

Exhibit "A"

Grant Thornton Limited RE: The Second Cup Coffee Company Inc. Claims Identification Process

From Dellaire, Michael <Michael.Dellaire@doane.gt.ca>
Date Tue 2025-06-17 12:25
To 18668883850@efaxds.com <18668883850@efaxds.com>
Cc Dellaire, Michael <Michael.Dellaire@doane.gt.ca>

3 attachments (1 MB)

Notice Letter for Claims Identification Process.pdf; Instruction Letter for Claims Identification Process.pdf; Proof of Claim Form.pdf;

Good afternoon,

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For more information regarding the Claims Identification Process and the CCAA Proceedings, please feel free to contact the undersigned or visit the Monitor's case website: www.DoaneGrantThornton.ca/SecondCup

Best regards,

Michael Dellaire | Associate, Restructuring
Grant Thornton Limited
11th Floor 200 King Street West | Toronto | ON M5H 3T4
T +1 416 607 2689
E Michael.Dellaire@doane.gt.ca | **W** DoaneGrantThornton.ca

Doane Grant Thornton

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]

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[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

Appendix G

The Second Cup Coffee Company Inc.
Extended Cash Flow Forecast
Beginning the Week of May 25, 2025

Doane Grant Thornton

For the week beginning In CAD	Forecast Week 1-13 Cumulative	Actual Week 1-13 Cumulative	Variance Week 1-13 Cumulative	2025/Aug/17 Forecast Week 14	2025/Aug/24 Forecast Week 15	2025/Aug/31 Forecast Week 16	2025/Sep/07 Forecast Week 17	2025/Sep/14 Forecast Week 18	2025/Sep/21 Forecast Week 19	2025/Sep/28 Forecast Week 20	2025/Oct/05 Forecast Week 21	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	49,000	58,295	9,295	-	-	35,100	-	-	-	30,200	-	-	-	39,200	-	162,795
A/R Collections	240,000	55,302	(184,698)	-	-	36,600	-	-	-	100,000	-	-	-	-	-	191,902
Miscellaneous Receipts	1,500	1,636	136	-	-	100	-	100	-	100	-	100	-	100	-	2,136
Total Cash Receipts	**290,500**	**115,232**	**(175,268)**	**-**	**-**	**71,800**	**-**	**100**	**-**	**130,300**	**-**	**100**	**-**	**39,300**	**-**	**356,832**
Cash Disbursements																
Operational Stability Costs																
Suppliers	106,000	92,885	(13,115)	-	-	-	-	-	-	-	-	-	-	-	-	92,885
Contractors	17,200	8,559	(8,641)	-	-	-	-	-	-	-	-	-	-	-	-	8,559
Labour																
Payroll/Expenses	93,600	95,608	2,008	-	13,300	-	13,300	-	13,300	-	13,300	-	13,300	-	13,300	175,408
Source Deductions	47,800	41,532	(6,268)	-	14,200	-	14,200	-	7,100	-	7,100	-	7,100	-	7,100	98,332
Contractors	42,300	35,097	(7,203)	-	9,200	-	4,900	-	-	9,200	-	4,900	-	9,200	-	72,497
Benefits	12,900	15,779	2,879	-	500	2,700	500	-	500	2,700	500	-	500	2,700	500	26,879
Leases																
Rent	10,600	15,632	5,032	-	-	5,300	-	-	-	5,300	-	-	-	5,300	-	31,532
Vehicle Lease	10,800	8,341	(2,459)		-	-	3,600	-	-	-	3,600	-	-	-	3,600	19,141
Warehouse Storage	3,000	2,657	(343)	-	-	1,000	-	-	-	1,000	-	-	-	1,000	-	5,657
Self-Serve Storage	1,800	3,644	1,844	-	-	600	-	-	-	600	-	-	-	600	-	5,444
Operational																
Suppliers	120,000	244,118	124,118	-	-	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	269,118
Freight	15,500	27	(15,473)	500	12,000	-	-	-	-	-	-	-	-	-	-	12,527
Subscriptions	4,500	7,667	3,167	200	-	400	700	500	-	400	600	400	200	400	900	12,367
Insurance	3,600	4,936	1,336	700	-	-	700	-	-	-	700	-	-	-	-	7,036
Travel	3,600	6,880	3,280	300	300	300	300	300	300	300	300	300	300	300	300	10,480
Advertising/Marketing	2,400	1,084	(1,316)	-	-	400	-	-	-	400	-	-	-	400	-	2,284
Cleaning Expenses	1,500	-	(1,500)	-	-	-	-	-	-	-	-	-	-	-	-	-
Phone/Internet	1,200	936	(264)	-	-	400	-	-	-	400	-	-	-	400	-	2,136
Total Cash Disbursements	**498,300**	**585,381**	**87,081**	**1,700**	**49,500**	**13,600**	**40,700**	**3,300**	**23,700**	**22,800**	**28,600**	**8,100**	**23,900**	**22,800**	**28,200**	**852,281**
Financing Disbursements																
BMO Interest	15,000	12,626	(2,374)	-	-	4,300	-	-	-	4,300	-	-	-	4,300	-	25,526
DIP Interest	8,250	-	(8,250)	-	7,800	6,700	-	-	-	8,700				11,200	-	34,400
Total Financing Disbursements	**23,250**	**12,626**	**(10,624)**	**-**	**7,800**	**11,000**	**-**	**-**	**-**	**13,000**	**-**	**-**	**-**	**15,500**	**-**	**59,926**
Professional Fees	620,000	343,998	(276,002)	-	-	260,000	20,000	20,000	20,000	100,000	20,000	50,000	50,000	25,000	20,000	928,998
Total Professional Fees	**620,000**	**343,998**	**(276,002)**	**-**	**-**	**260,000**	**20,000**	**20,000**	**20,000**	**100,000**	**20,000**	**50,000**	**50,000**	**25,000**	**20,000**	**928,998**
Total Cash Disbursements	**1,141,550**	**942,006**	**(199,544)**	**1,700**	**57,300**	**284,600**	**60,700**	**23,300**	**43,700**	**135,800**	**48,600**	**58,100**	**73,900**	**63,300**	**48,200**	**1,841,206**
Net Cash Flows	**(851,050)**	**(826,774)**	**24,276**	**(1,700)**	**(57,300)**	**(212,800)**	**(60,700)**	**(23,200)**	**(43,700)**	**(5,500)**	**(48,600)**	**(58,000)**	**(73,900)**	**(24,000)**	**(48,200)**	**(1,484,374)**
Cash from Interim Financing																
DIP Financing	**900,000**	**841,620**	**(58,380)**	**58,380**	**-**	**300,000**	**-**	**-**	**100,000**	**-**	**-**	**125,000**	**-**	**75,000**	**-**	**1,500,000**
Opening Cash Balance	1,432	1,432	-	16,278	72,958	15,658	102,858	42,158	18,958	75,258	69,758	21,158	88,158	14,258	65,258	1,432
Closing Cash Balance	**50,382**	**16,278**	**(34,104)**	**72,958**	**15,658**	**102,858**	**42,158**	**18,958**	**75,258**	**69,758**	**21,158**	**88,158**	**14,258**	**65,258**	**17,058**	**17,058**

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 Extended Cash Flow, on probable and hypothetical assumptions that reflect the Company's planned course of action for the period of the next 14 weeks to accommodate the SISP. Management is of the opinion that, as at the date of filing the Extended 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 Extended Cash Flow.
3. The Extended Cash Flow has been prepared by the Company and has been reviewed by the Monitor. The Monitor has not verified or confirmed certain expenses incurred by the Company which are reflected in this Extended Cash Flow.
4. The information contained in the Extended Cash Flow is subject to changing assumptions and/or receipt of new or additional information; actual results may vary. This Extended 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 Extended Cash Flow is to estimate the liquidity requirement of the company.
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 paid the outstanding arrears of its critical suppliers in Week 5 in order to maintain the Company's operational stability and to ensure commitments to its franchise partners. 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 extended 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

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Maxim Lojevsky, Chief Restructuring Officer

Appendix H

SCHEDULE "A"
SALE AND INVESTMENT SOLICITATION PROCESS

Sale and Investment Solicitation Process

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

Introduction

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

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

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

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

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

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

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

Opportunity

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

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

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

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

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

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

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

Timeline

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

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

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

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

Solicitation of Interest: Notice of the SISP

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

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

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

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

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

Potential Bidders and Due Diligence Materials

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

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

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

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

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

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

Protective Steps for Insider Involvement

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

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

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

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

SISP.

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

    a. the identities of other Potential Bidders;

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

    c. the terms of any Bid or Qualified Bid.

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

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

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

Formal Bids

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

    a. the Bid must be either a Bid to:

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

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

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

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

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

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

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

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

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

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

i. for a Sale Proposal, the Bid includes:

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

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

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

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

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

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

j. for an Investment Proposal, the Bid includes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Evaluation of Qualified Bids

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

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

Auction

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

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

Auction Procedure

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

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

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

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

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

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

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

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

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

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

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

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

Credit Bidding

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

Transaction Documents

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

Expense Reimbursement/Break Fee

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

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

Sale Approval Motion Hearing

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

Confidentiality and Access to Information

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

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

Supervision of the SISP

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

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

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

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

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

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

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

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

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

Deposits

56. The Deposit(s):

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

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

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

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

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

Additional Terms

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

Further Orders

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

Costs and Expenses

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

Schedule "1"
Address of the Monitor

<u>To the Monitor:</u>

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

Attention: Jason Kanji and Jesse Cooper

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

With a copy to:

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

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

Appendix I

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

Stalking Horse Break Fee Analysis
Current as at July 1, 2025

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Kroeger Inc.	1001166783 Ontario Inc.	NOI	B. Riley Farber	6-Mar-25	Ontario	Distribution	75,000	50,000	125,000	1,600,000	7.8	Yes	
Li-Cycle Corp. et al.	Glencore Canada Corporation	CCAA	A&M	14-May-25	Ontario	Cleantech	1,000,000	200,000	1,200,000	40,000,000	3	Yes	
Comark Holdings Inc. et al.	16751598 Canada Inc. (WarehouseOne)	CCAA	A&M	17-Feb-25	Ontario	Retail	-	-	-	-	-	Yes	
Freedom Cannabis	2644323 Alberta Ltd. (a subsidiary of JL Legacy)	CCAA	KPMG	19-Apr-25	Alberta	Cannabis	400,000		400,000	16.5 million to 20.5 million	1.95-2.42	Yes	
Myra Falls Mine Ltd.	Trafigura Holding S.a r.l.	CCAA	FTI	31-Mar-25	British Columbia	Mining		500,000	500,000	Outstanding DIP facility plus certain priority payables	Unclear	No	
Noya Cannabis Inc. and Noya Holdings Inc.	Lending Stream Inc.	CCAA	BDO	11-Nov-24	Ontario	Cannabis	175,000	100,000	275,000	3,850,000	7.14	Yes	
Indian Head Consumers Co-operative Society Ltd.	95748 Newfoundland and Labrador Ltd.	NOI	Grant Thornton	1-Sep-24	Newfoundland	Retail	-	50,000	50,000	350,000	14.29	Yes	
Motryx Inc.	Aerocom GMBH & Co.	NOI	BDO	13-Dec-24	Nova Scotia	Healthcare	-	35,000	35,000	400,000	8.75	Yes	
Wholly Veggie	Windermere Investment Corp.	NOI	PwC	20-Aug-24	Ontario	Food & Accommodation	132,000	25,000	157,000	6,600,000	2.38	Yes	
Worldplay Communications Inc. and Worldplay (Canada) Inc.	Todd Grenier, Kevin Reinhart, Joel Van Dusen, Ashley	NOI	EY	31-Jul-24	Alberta	Media	-	-	-	Payment of priority charges plus 200,000	-	Yes	
Brands International Corporation	AMG Global Holdings ULC	NOI	KPMG	18-Dec-24	Ontario	Manufacturing	100,000	125,000	225,000	2,250,000	10	Yes	
Rokstad Holdings Corporation et al.	1501841 B.C. Ltd. and Stellex Power Line Opco LLC	Receivership	FTI	5-Dec-24	British Columbia	Construction	-	-	-	(a) the Credit Bid; plus	-	Yes	
IntelGenx Corp.	Atai Life Sciences	CCAA	EY	25-May-24	Quebec	Healthcare	-	150,000	150,000	Unclear - credit bid - secured debt	-	No	
Nevada Copper et al.	Southwest Critical Minerals LLC	Foreign Order Recognition	A&M	9-Aug-24	British Columbia	Mining	-	-	3,840,000	128,000,000	3	No	
2675970 Ontario Inc. et al. (Tokyo Smoke)	TS Investments Corp.	CCAA	A&M	12-Sep-24	Ontario	Cannabis	390,000	-	390,000	77,000,000	1	Yes	
Long Run Exploration Ltd.	Hiking Group Shandong Jinyue Int't Trading Corporation	CCAA	FTI	23-Jul-24	Alberta	Oil & Gas	500,000	-	500,000	Unclear	-	Yes	
Indiva Limited	SNDL Inc.	CCAA	PwC	28-Jun-24	Ontario	Cannabis	-	-	300,000	Unclear	-	Yes	
Pioneer Balloon Canada Limited	1488108 B.C. Ltd.	NOI	KPMG	20-Jun-24	Ontario	Manufacturing	75,000	25,000	100,000	$2,300,000 less the "Cure Costs" of any	-	Yes	
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	Deloitte	23-Jan-24	Ontario	Cannabis	-	-	-	3,700,000	-	Yes	
Heritage Cannabis Holdings Corp.	BJK Holdings Ltd. and HAB Cann Holdings Ltd.	CCAA	KPMG	10-Apr-24	Ontario	Cannabis	400,000		400,000	approximately $7.7 million to $11.1	5.19	Yes	
Canadian Overseas Petroleum Limited	Summit Partners Credit Fund II, L.P., Summit	CCAA	KSV	8-Apr-24	Alberta	Oil & Gas	US$350,000	reasonable expenses	-	-	-	Yes	
1000093910 Ontario Inc.	2557904 Ontario Inc.	Receivership	KSV	13-Nov-23	Ontario	Real Estate	200,000	50,000	250,000	24,255,000	1	Yes	
BZAM Ltd.	1000816625 Ontario Inc.	CCAA	KSV	1-Mar-24	British Columbia	Cannabis	750,000	100,000	850,000	Unclear	3.6-5.2	Yes	
Athabasca Minerals Inc.	JMAC Energy Services LLC	NOI	KSV	5-Dec-23	Alberta	Distribution	-	200,000	200,000	13,000,000	1.5	Yes	
Midnight Integrated Financial Inc.	2593054 Alberta Ltd.	CCAA	EY	4-Mar-24	Alberta	Financial Services	-	-	-	11,000,000	-	No	

Stalking Horse Break Fee Analysis
Current as at July 1, 2025

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Garibaldi at Squamish Limited	Aquilini Development LP, Garibaldi	Receivership	EY	13-Mar-24	British Columbia	Other	500,000	-	500,000	approximately $80.41 million	0.6	Yes	
Free Rein Resources Limited	Invico Diversified Income Limited Partnership	NOI	FTI	1-Aug-23	Alberta	Oil & Gas	-	-	-	-	-	Term Sheet yes	
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	Deloitte	1-Jan-24	Ontario	Cannabis	-	-	-	3,700,000	-	Yes	
Lighthouse Immersive Inc. and Lighthouse Immersive USA	SCS Finance, Inc.	CCAA	B. Riley Farber	5-Oct-23	Ontario	Other	-	-	-	-	-	Yes	
Validus Power Corp. et al.	Macquarie Equipment Finance Limited and Far North Power Corp.	CCAA	KSV	19-Oct-23	Ontario	Professional Services	1,260,000	1,000,000	2,260,000	59,000,000	3.85%	Yes	
Aleafia Health Inc. et al.	RWB (PV) Canada Inc.	CCAA	KSV	10-Aug-23	Ontario	Cannabis	-	500,000	500,000	25,000,000 - 29,000,000	1.72-2%	Yes	
NextPoint Financial Inc. et al.	Certain lenders to NextPoint	CCAA	FTI	1-Jul-23	British Columbia	Financial Services	700,000	Reasonable expenses also covered	700,000	175,000,000	0.4	Yes	
DecisionOne	STC Lender LP	NOI	KPMG	22-May-23	New Brunswick	Technology	-	-	-	US 3,000,000	-	Yes	
Datatax Business Services Limited	2872802 Ontario Inc.	NOI	KPMG	11-Aug-23	Alberta	Professional Services	400,000	-	400,000	40,700,000	1%	Yes	
Edward Collins Contracting Ltd.	92712 Newfoundland & Labrador Inc.	CCAA	Grant Thornton	17-May-23	Newfoundland	Construction	144,800	30,000	144,800	7,240,000	2.40%	Yes	
Digital Orthodontic Care Inc.	Ortho Studios Express, Inc.	Receivership	Richter	10-Aug-23	Ontario	Healthcare	85,000	-	85,000	$3 million credit bid	2.83%	Yes	
Pathway Health Corp. (TSV: PHC) and Pathway Health Services Corp.	AvonleaDrewry Holdings Inc.	Interim Receivership	KSV	2-Oct-23	Ontario	Healthcare			62,500	1,250,000	5%	Yes	
Aereus Technologies Inc.	1000608245 Ontario Inc.	NOI	B. Riley Farber	4-Aug-23	Ontario	Manufacturing	21,600	-	21,600	Credit bid plus assumed liabilities	-	Yes	

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IE CA 3 Holdings Limted	NYDIG ABL LLC	Receivership	PwC	7-Jun-23	British Columbia	Financial Services	USD 630,000	-	USD 630,000	USD 21,000,000	3%	Yes	
Fire & Flower Inc. et al.	2707031 Ontario Inc. (the DIP lender)	CCAA	FTI	15-Jun-23	Ontario	Cannabis	650,000	100,000	750,000	Credit bid (release of all obligations owing under DIP loan and bridge loan)	3.40%	Yes	
1194038 Alberta Ltd.	2262576 Alberta Ltd.	Receivership	EY	5-Jun-23	Alberta	Real Estate	125,000		125,000	4,375,000	2.80%	Yes	
GreenSpace Brands Inc.	2762454 Ontario Inc.	Ontario	PwC	5-Apr-23	Ontario	Food & Accommodation	150,000	-	150,000	~9 million, plus certain assumed liabilities and other amounts	1.70%	No	
FlexITy Solutions Inc. and FlexITy Holdings Inc.	BHG-BC Holdings Ltd	NOI	Farber	29-Mar-23	Ontario	Technology	-	-	-	11.1 million		Yes	
LoyaltyOne Co. (dba AIR MILES®)	BMO	CCAA	KSV	10-Mar-23	Ontario	Other	3 million	1 million	4 million	US 160 million	2.50%	Yes	
DCL Corporation	Pigments Holdings, Inc.	CCAA	A&M	21-Dec-22	Ontario	Distribution	-	-	-	$166.2 million to $170.9 million	0.00%	Yes	
11157353 Canada Corporation	ReFlourish Capital Limited	NOI	EY	14-Feb-23	Ontario	Cannabis	20,000	25,000	45,000	400,000 euros		Yes	

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Current as at July 1, 2025

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Tehama Inc.	14667913 Canada Inc.	CCAA	Deloitte	7-Feb-23	Ontario	Technology	-	-	-	2.8 million credit bid, plus assumed liabilities, for total consideration of approximately 3 million		Yes	
Trichome Financial Corp.	L5 Capital Inc.	CCAA	KSV	12-Dec-22	Ontario	Cannabis	-	200,000	200,000	5,000,000 and certain deferred consideration payable pursuant to secured limited recourse promissory notes	4.00%	Yes	
Westoak Naturals Inc.	Avena Foods Limited	Receivership	BDO	9-Nov-22	Ontario	Distribution	30,000	25,000	55,000	1,000,000 credit bid plus the costs of the receivership	5.50%	No	
Robus Resources Inc.	Robus Equity Acquisition Corporation, as nominee of Blue Fin Group LLP and Robus Services LLC	Receivership	A&M	8-Dec-22	Alberta	Oil & Gas	182,000		182,000	USD$9,100,000	2.00%	No	
The Flowr Corporation et al.	1000343100 Ontario Inc.	CCAA	EY	31-Oct-22	Ontario	Cannabis	185,000		185,000	$3,888,888.88 plus the Closing DIP Loan (as defined below) and Assumed Liabilities	4.76%	No	
Solvaqua Inc.	2464525 Alberta Ltd.	Receivership	MNP	1-Oct-22	Alberta	Other	175,000		175,000	A cash payment sufficient to cover various security interests, a CRA claim and a holdback, plus the payment of the balance of the purchase price being $2.5 million, to be paid by way of set-off against (as a non-cash credit reduction of) the Arnaki Claim.	7.00%	Y	

Stalking Horse Break Fee Analysis
Current as at July 1, 2025

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Cannapiece Group Inc. et al.	Cardinal Advisory Limited	CCAA	BDO	8-Nov-22	Ontario	Cannabis	175,000	25,000	200,000	$3.5 million cash, plus Assumed Liabilities, if any	5.70%	Yes	
iS5 Communications Inc.	Elektrophoenix GmbH	NOI	Grant Thornton	17-Oct-22	Ontario	Technology	USD $200,000	USD $200,000	USD $250,000	USD $5 million, a portion of which will be comprised of a "credit bid" of amounts owing under the DIP Term Sheet	5.00%	Yes	
Go-To Developments Holdings Inc.	2357616 Ontario Inc.	Receivership	KSV	8-Aug-22	Ontario	Real Estate	-	60,000	60,000	9.5 million or greater	1.00%	No	
Just Energy Group	The DIP lenders and one of their affiliates	CCAA	FTI	4-Aug-22	Ontario	Oil & Gas	US$14.66 million	-	US$14.66 million	US$184.9 million in cash, plus up to an additional $10 million, a credit bid of US$252.7 million, plus the assumption of certain liabilities	3.40%	No	
Zenabis Group	2657408 Ontario Inc.	CCAA	EY	16-Jun-22	Quebec	Cannabis	-	750,000	750,000	Unclear - confidential	Unclear	No	
Freshlocal Solutions Inc.	Third Eye Capital Corporation	CCAA	EY	17-Jun-22	British Columbia	Retail	Unclear - confidential	Unclear - confidential	Unclear - confidential	Unclear - confidential	2.50%	No	
Cura-Can Health Corp. and its wholly-owned subsidiary The Clinic Network Canada Inc.	Avonlea-Drewry Holdings Inc.	Receivership	KPMG	14-Mar-22	Alberta	Cannabis	325,000		325,000	Approximately $6,750,000 of which $6,500,000 will be credited against the indebtedness owing to the purchaser	4.8	Yes	

Stalking Horse Break Fee Analysis
Current as at July 1, 2025

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Jam Hospitality Inc. et al.	2424115 Alberta Ltd.	Receivership	PwC		Alberta	Food & Accommodation	500,000			18.5 million		No	
Balanced Energy Oilfield Services Inc. et al.	XDI Energy Solutions Inc.	Receivership	FTI	21-Mar-22	Alberta	Oil & Gas	250,000			(i) CA $11,250.000 in cash; (ii) such amount as it required to pay out and satisfy, in full, the first charge held by Laurentian Bank over certain equipment	Unclear	Yes (term sheet)	
BlackRock Metals Inc. et al.	OMF Fund II H Ltd. and Investissement Québec	CCAA	Deloitte	22-Dec-21	Quebec	Mining	2.5 million		2.5 million	Credit bid of $90,759 M	2.75	Yes	
Behr Technologies Inc.	13486826 Canada Inc.	NOI	Farber	19-Jan-22	Ontario	Technology	75,000		75,000	Purchase price comprised of a credit bid of $1,000,000 in debt owing under the DIP Facility plus cash in a to-be-determined amount for priority payables	Unclear	Yes	
Harte Gold Corp.	1000025833 Ontario Inc.	CCAA	FTI	15-Dec-21	Ontario	Mining	-	-	-	-	0	No	
McEwan Enterprises Inc.	2864785 Ontario Corp.	CCAA	A&M		Ontario	Food & Accommodation	390,000		390,000	(A) $2,200,000, plus (B) an amount equal to Cure Costs, plus (C) the assumption of the Assumed Obligations by the Purchaser	Unclear	No	
Junction Craft Brewing Inc.	1000003509 Ontario Limited	NOI	Richter	5-Nov-21	Ontario	Food & Accommodation	50,000	25,000	75,000	400,000 cash plus the assumption of certain liabilities	Unclear	Yes	

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Nimbus Water Systems Inc.	2752837 Ontario Inc.	Receivership	BDO	6-Sep-21	Ontario	Professional Services	250,000	50,000	300,000	13,000,000	2.31%	Yes	
O2 Industries Inc.	2841551 Ontario Limited	Receivership	RSM	2021	Ontario	Healthcare	-	-	-	-	0.00%	Yes	
Turuss (Canada) Industry Co. Ltd.	Westmount Park Investments Inc.	Receivership	MNP	13-Apr-21	Ontario	Manufacturing	Combined break fee and expense reimbursem ent amount of $175,000	Combined break fee and expense reimbursement amount of $175,000	175,000	6,500,000	2.69%	Yes	
Salt Bush Energy Ltd.	Ironbark Energy Ltd.	NOI	Deloitte	2-Feb-21	Alberta	Oil & Gas	50,000	25,000	75,000	Unclear	Unclear	Yes	
Allied Track Services Inc.	2806401 Ontario Inc.	NOI	KSV	21-Jan-21	Ontario	Professional Services	-	-	-	104,800,000	0.00%	Yes	
Family Fitness Inc.	BTA Real Estate Group Inc.	Receivership	A&M	15-Jan-21	Saskatchewan	Other	40,000		40,000	800,000 plus the assumption of assumed liabilities	5.00%	Yes	
Avenir Sports Entertainment Limited	Avina Acquisition Corp.	Receivership	KSV	15-Dec-20	Alberta	Entertainment	186,000		186,000	4,650,000	4.00%	Yes	

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Current as at July 1, 2025

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Urthecast Corp. (TSX:UR)	Antarctica Infrastructure Partners, LLC, an affiliate of Antarctica Capital LLC	CCAA	EY	15-Oct-20	British Columbia	Technology	2,070,000	1,000,000	3,070,000	69,000,000	4.45%	No	
110-112 Avenue Road; 114 Avenue Road and 116 Avenue Road	SC Land Inc.	Receivership	RSM	9-Oct-20	Ontario	Financial Services	-	385,000	385,000	16,100,000	2.39%	Yes	
Fun and Fitness Trampolines Inc.	2786323 Ontario Inc.	NOI	Crowe Soberman Inc.	26-Oct-20	Ontario	Entertainment	10,000	-	10,000	Purchase price confidential	Unclear - purchase price confidential	Yes	
Muskoka Grown	Arthur Zwingenberger, in trust for a corporation to be formed under the laws of the Province of Ontario, and 2685164 Ontario Inc.	NOI	Farber	27-Jul-20	Ontario	Cannabis	-	113,000	113,000	11,961,394	<1%	Yes	
Wire IE (Canada) Inc.	Crown Capital Private Credit Fund, LP	NOI	Farber	20-Jul-20	Ontario	Technology	-	200,000	200,000	$9.5 million plus the assumption or satisfaction of certain liabilities	-%		
Bow River Energy Ltd.	2270943 Alberta Ltd.	CCAA	BDO	17-Jul-20	Alberta	Oil & Gas	175,000	-	175,000	4,290,221	4.08%	Y	
Cirque du Soleil	Spectacle Bidco LP	CCAA	EY	15-Jul-20	Quebec	Media	-	-	-	US$1,215 million	-%	Y	APA is called Exhibit 23a in the Document Library

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Current as at July 1, 2025

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Dominion Diamond Mines	Washington Diamond Investments Holdings II, LLC	CCAA	FTI	21-May-20	Alberta	Mining	US2, 522,000	US2,250,000	4,772,000	US$126.1 million in cash, plus up to US$5.0 million in respect of any incremental amounts outstanding, plus the assumption of certain liabilities	2.0%	N	
Penady (Barrie) Ltd.	Choice Properties Limited Partnership	Receivership	RSM	2-Jun-20	Ontario	Real Estate	-	400,000	400,000	Unclear - credit bid	Unclear	Y (unsigned copy)	
James E. Wagner Cultivation Corporation	Trichome Financial Corp.	CCAA	KSV	31-Mar-20	Ontario	Cannabis	-	100,000	100,000	11,700,000	0.9%	Y	
Traverse Energy Ltd.	Barrel Oil Corp.	Receivership	EY	5-Feb-20	Alberta	Oil & Gas	97,500	-	97,500	3,250,000	3.0%	Y	
Viafoura Inc.	Intercap Equity Inc.	NOI	KSV	22-Jan-20	Ontario	Technology	25,000	45,000	70,000	1,491,000	4.7%	Y	
Waves E-Gaming Inc.	Amulka Ventures Inc.	Receivership	Dodick Landau	16-Jan-20	Ontario	E-gaming	-	-	-	370,000	0.0%	Y	
Trade Secret Web Printing Inc.	B&Y Property Holdings Inc.	NOI	Crowe Soberman Inc.	13-Dec-19	Ontario	Printing	-	50,000	50,000	1,800,000	2.8%	Y	
Clover Leaf Seafoods	Certain affiliates of FCF Co. Ltd	CCAA	Alvarez & Marsal	21-Nov-19	Ontario	Distribution	US $27.75 million	US $2.5 million	$30.25 million	US $925.6 million to $930.6 million	3.0%	Y	6
3070 Ellesmere Developments Inc.	CoStone Development Inc. and Campus Suites Inc.	NOI	Crowe Soberman Inc.	19-Aug-19	Ontario	Real Estate	400,000		400,000	16,000,000	2.5%	Y	
Orbcare Inc.	iGan Partners Inc.	NOI	MNP	8-Aug-19	Ontario	Technology	60,000		60,000	1,200,000	5.0%	N	
Octopus Holdings Ltd.	East Winds Caribbean Limited Partnership	Receivership	Hardie & Kelly	3-Jun-19	Alberta	Hospitality	-	-	-	2,600,000	0.0%	Y	

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Argex Titanium Inc.	Mr. Mazen Alnaimi and other investors	NOI	PwC	21-Jun-19	Quebec	Technology					5.0%	Y	5
Strategic Oil & Gas Ltd.	GMT Exploration Zama Inc.	CCAA	KPMG	3-May-19	Alberta	Oil & Gas	75,000		75,000	1,500,000	5.0%	Y	
Strategic Oil & Gas Ltd.	GMT Exploration Zama Inc.	CCAA	KPMG	3-May-19	Alberta	Oil & Gas	75,000		75,000	1,500,000	5.0%	Y	
Divestco Inc.	2179602 Alberta Ltd.	CCAA	Grant Thornton	19-Mar-19	Alberta	Oil & Gas	425,000	-	425,000	15,410,517	2.8%	Y	
Versaccounts Limited	Seatle Atlantic, Inc.	NOI	Farber	23-Jan-19	Ontario	Technology	25,000	25,000	50,000	250,000	20.0%	Y	
Vari-Form Inc.	11032569 Canada Inc.	CCAA	PwC	7-Jan-19	Ontario	Automotive	1,500,000	-	1,500,000	50,000,000	3.0%	Y	4
Stantive Technologies Group Inc.	2671682 Ontario Inc.	NOI	EY	14-Dec-18	Ontario	Technology	93,000	25,000	118,000	5,400,000	2.2%	Y	
1033803 Ontario Inc., operating as Forma-Con Construction and Forma Finishing	2657897 Ontario Inc.	Receivership	KSV	6-Dec-18	Ontario	Real Estate	-	-	-	16,500,000	0.0%	Y	
Ladacor AMS Ltd., Nomads Pipeline Consulting Ltd., and 2367147 Ontario Inc.	Sioux Lookout First Nations Health Authority	Receivership	A&M	16-Oct-18	Alberta	Real Estate			125,000	5,000,000	2.5%	Y	3
Purewal Blueberry Farms	0801226 B.C. Ltd.	CCAA	FTI	10-Oct-18	British Columbia	Agriculture			275,000	8,000,000	3.4%	Y	3
2301132 Ontario and 2309840 Ontario	E. Manson Investments Limited	NOI	KSV	5-Oct-18	Ontario	Real Estate	175,000	50,000	125,000	6,700,000	1.9%	Y	
Aralez Pharmaceuticals Inc.	Nuvo Pharmaceuticals Inc.	CCAA	Richter	18-Sep-18	Ontario	Pharmaceutical	2,187,500	575,000	2,762,500	62,500,000	4.4%	Y	
1760184 Ontario Ltd. (Surface Heat Treat &	Rampart Steel Treating Ltd.	NOI	Farber	18-Jun-18	Ontario	Manufacturing	42,500		42,500	850,000	5.0%	Y	1 , 3
3291745 Nova Scotia	3308949 Nova Scotia Limited	Receivership	KSV	14-Jun-18	Nova Scotia	Real Estate	100,000	25,000	125,000	3,225,000	3.9%	Y	
Discovery Air	Various	CCAA	KSV	21-Mar-18	Ontario	Aviation	-	-	-	-	0.0%	Y	2

Notes

1 Purchase price equal to the sum of $191,000 in cash plus 90% of the inventory value as at the closing date, plus the purchaser's agreement to the AR collection agreement appended to the APA. Estimated TV is reported in Farber's first report.

2 Four separate stalking horse agreements were entered into for various of the debtor's business units. The stalking horse bidder in each agreement is a corporation related to the debtor's 95.5% shareholder and most significant secured creditors. The purchase price in each case is in the form of a credit bid or assumption of debt. No break fees are contemplated in any of the stalking horse agreements.

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3 APA did not split break fee between termination fee and expense reimbursement amounts

4 Estimated transaction value consists only of the cash portion of the purchaser's bid.

5 Estimated transaction value equal to an amount sufficient to satisfy i) repayment of the amounts secured by the administration charge; ii) repayment of the DIP loan; iii) payment of amounts secured by KERP charge; and iv) funding of a proposal which will provide for payment of, among other things, the outstanding secured debentures and preferred claims.

6 Transaction is for assets of both Canadian and US entities.

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

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

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