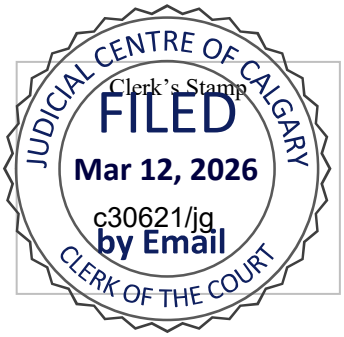


Clerk's Stamp

COURT FILE NUMBER	2601-03446
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF RDFN FUM NATURAL PRODUCTS LTD. AND RDFN FUM NATURAL PRODUCTS INC.
DOCUMENT	**FIRST REPORT OF ALVAREZ & MARSAL CANADA INC. IN ITS CAPACITY AS MONITOR** **March 10, 2026**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

MONITOR
ALVAREZ & MARSAL CANADA INC.
Bow Valley Square IV
Suite 1110, 250 – 6 Avenue S.W.
Calgary, Alberta T2P 3H7
Orest Konowalchuk
Telephone: (403) 538-4736
Email: okonowalchuk@alvarezandmarsal.com

COUNSEL TO THE MONITOR
Osler, Hoskin & Harcourt LLP
Suite 2700, Brookfield Place 225 – 6 Avenue S.W.
Calgary, Alberta T2P 1N2
Randal Van de Mosselaer
Telephone: (403) 260-7060
Email: rvandemosselaer@osler.com
File: 1279602

ALVAREZ & MARSAL

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INTRODUCTION

1. On February 4, 2026 (the "**Filing Date**"), RDFN FUM Natural Products Ltd. ("**FUM Canada**") and RDFN FUM Natural Products Inc. ("**FUM US**") each filed Notices of Intention to Make a Proposal ("**NOI**" or the "**Filing**") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"). Alvarez & Marsal Canada Inc. ("**A&M**") was appointed to act as Trustee under the Proposal (the "**Proposal Trustee**"). FUM Canada and FUM US are hereinafter collectively referred to as the "**Companies**" or "**FUM**", and those proceedings are referred to as the "**Proposal Proceedings**".

2. On February 17, 2026, upon the application of the Companies (the "**Foreign Representative Application**") and supported by the affidavit of Mr. Braeden Pauls filed in the Proposal Proceedings (the "**First Pauls Affidavit**"), the Court of King's Bench of Alberta (the "**Court**") granted an order (the "**Foreign Representative Order**"):

    a) authorizing A&M, in its capacity as the Proposal Trustee of the Companies, to administer the Proposal Proceedings on a consolidated basis for the purpose of carrying out its administrative duties and responsibility as Proposal Trustee under the BIA; and

    b) authorizing and empowering FUM Canada to act as foreign representative (the "**Foreign Representative**") of the Proposal Proceedings for the purpose of having the Proposal Proceedings recognized in the United States of America ("**USA**") or any other foreign jurisdiction.

3. On February 18, 2026, FUM Canada, in its capacity as Foreign Representative, applied to the United States Bankruptcy Court for the District of Nevada (the "**US Court**") for, among other things, provisional relief and recognition of the Proposal Proceedings pursuant to Chapter 15 of the *United States Bankruptcy Cod*e (the "**Chapter 15 Proceedings**"). An *ex-parte* application to shorten the time for the hearing was filed by FUM Canada on February 20, 2026. The motion for

provisional relief was heard on February 24, 2026, and the US Court granted certain provisional relief in favour of the Companies and directed that a further hearing be held on March 24, 2026.

4. On March 2, 2026, the Court of King's Bench of Alberta granted an order continuing the Proposal Proceedings into proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the "**CCAA**", and the proceedings, the "**CCAA Proceedings**"), granting a stay of proceedings for an initial ten (10) day period (the "**Initial Stay Period**"), appointing A&M as Monitor of the Companies (the "**Monitor**") and, among other relief:

    a) granting a charge on the assets, property and undertakings of the Companies (the "**Property**") not to exceed $150,000 (the "**Administration Charge**") as security for the fees and costs of the Monitor and its independent legal counsel, as well as the US and Canadian legal counsels to the Companies; and

    b) granting a charge on the Property not to exceed $200,000 (the "**Directors' Charge**") in favour of the Companies' directors and officers as security for the Companies' indemnification obligations to them.

5. Further detail on the foregoing can be found at the Proposal Trustee and Proposed Monitor's First Report dated February 26, 2026 ("**CCAA Pre-Filing Report**");

6. The Applicants have filed an application with this Honourable Court, returnable March 12, 2026 (the "**March 12th Application**" or "**Comeback Application**") for an amended and restated initial order (the "**ARIO**"). The relief sought by the Applicants at the Comeback Application as contemplated in the draft ARIO include the following:

    a) increasing the Administration Charge to $500,000; and

    b) extending the Initial Stay Period to May 26, 2026.

7. Capitalized terms not defined in this Monitor's First Report (this "**Report**" or the "**First Report**") are as defined in the Initial Order, ARIO, the Monitor's CCAA

Pre-Filing Report, the Affidavits of Braeden Pauls and any supplements thereto sworn in these CCAA Proceedings (the "**Pauls Affidavits**") and the materials filed by the Applicants, or any other party in connection with the CCAA Proceedings. Copies of materials filed with the Court in the CCAA Proceedings are available on the Monitor's website at www.alvarezandmarsal.com/FUM (the "**Website**").

PURPOSE

8. This First Report is intended to provide this Honourable Court with information in respect of the following:

   a) the activities of the Companies and the Monitor since the granting of the Initial Order by this Honourable Court on March 2, 2026;

   b) the Companies' actual receipts and disbursements as compared to the cash flow statement outlined in the CCAA Pre-Filing Report;

   c) the Companies' revised cash flow projection for the thirteen-week period from February 28, 2026 to May 30, 2026;

   d) the Companies' request for an increase to the Administration Charge and for the payment of pre-filing debts with the Monitor's approval;

   e) the extension of the Initial Stay Period; and

   f) the Monitor's recommendations and conclusions.

TERMS OF REFERENCE

9. In preparing this Report, A&M, in its capacity as the Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Applicants and has held discussions with the Applicants' management ("**Management**") and their respective counsel and directors (collectively, the "**Information**"). Except as otherwise described in this Report, in respect of the Applicants' cash flow forecast:

   a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However,

the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

10. Future-oriented financial information referred to in this Report was prepared based on the Applicants' estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

11. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

12. Further information regarding FUM's ownership structure an operations, the cause of the Applicants' insolvency and these CCAA Proceedings, including the Initial Order, the ARIO, other Orders of this Honourable Court, the Pauls Affidavits, the Monitor's CCAA Pre-Filing Report are available on the Monitor's website at: www.alvarezandmarsal.com/FUM (the "**Website**").

INITIAL ACTIVITIES OF THE MONITOR

13. Since the Filing Date in the Proposal Proceedings, the Monitor's activities to date have included the following:

a) preparing and issuing notices required under the CCAA and the Initial Order, which involved:

   i. setting-up of the Website and posting of the Initial Order and other filed materials;

   ii. coordinating the publishing of notices as prescribed under the CCAA in the *Globe and Mail*, which were published on March 5, 2026 with another edition scheduled for publication on March 12, 2026;

   iii. preparing a list of creditors with claims over $1,000 and posting the same to the Website;

   iv. coordinating and distributing the notice to creditors to known creditors on March 4, 2026; and

   v. filing the required statutory notices with the Office of the Superintendent of Bankruptcy of the prescribed forms as required under section 23(1)(f) of the CCAA;

b) various discussions with Management, the Monitor's legal counsel, and the Companies' legal counsel relating to matters relevant to the CCAA Proceedings and the Companies' operations, generally;

c) communications with Management, Osler, Hoskin & Harcourt LLP ("**Monitor's Counsel**"), and the Companies' legal counsel relating to CCAA matters;

d) initial review of various agreements with CFT Clear Finance Technology Corp. ("**Clearco**") regarding status of receivables and discussions with Clearco and the Companies concerning the treatment of any receivables which may have been purchased by Clearco;

e) communication with various creditors and/or customers of the Applicants;

f) monitoring the Companies' cash flow actual results to Management's forecasts and discussing variances with Management; and

g) ongoing monitoring of the Companies' financial affairs, and other activities by the Monitor.

CHAPTER 15 PROCEEDINGS UPDATE

14. As reported in the CCAA Pre-Filing Report, on February 18, 2026, FUM sought from the US Court, amongst other things, recognition of FUM Canada as the Foreign Representative and recognition of the Proposal Proceedings. The motion for provisional relief was heard on February 24, 2026, and the US Court granted certain provisional relief in favour of the Companies and directed that a further hearing be held on March 24, 2026.

15. The Chapter 15 Proceedings are necessary for FUM to stabilize its operations by granting the Companies a stay of proceedings and protections from its creditors in the USA, where most of its inventory is held and sales are generated. As described in the CCAA Pre-Filing Report, it is the Companies' understanding that BFL intends to seek a motion for injunctive relief and enforce the Settlement Agreement on February 24, 2026. Obtaining the recognition of the Proposal Proceedings and CCAA Proceedings in the USA is critical for the Companies to mitigate disruption to operations and maintain relationships with key customers and suppliers while developing a path forward to emerge from restructuring proceedings as a going concern. Should enforcement proceedings by BFL and/or other creditors advance, it is uncertain whether FUM will be able maintain the stability necessary to provide it with the breathing room needed to restructure its financial affairs.

PRE-FILING PAYMENTS

16. As outlined in further detail in the Pauls Affidavits, certain creditors have threatened to cease providing services to the Companies if pre-filing debts are not paid. While the Initial Order and Stay Period apply to prevent termination in these circumstances, the Companies' ability to enforce the Initial Order and Stay Period in a timely and efficient manner may be limited in some narrow circumstances, including where such parties are located outside of Canada and the United States.

The Companies are continuing to assess whether alternative suppliers may be available in those cases.

17. It is proposed that such payments be subject to prior written approval by the Monitor which may be provided if the Monitor is satisfied that such payment is necessary or advisable, and a cap of CAD $212,000, above which further Court approval would be required. At present, the only such payment identified by the Companies is in respect of an invoice with Jori Logistics LLC ("**Jori**").

18. The Companies primarily use two logistics companies to complete shipping of products: Jori, and Flexport International LLC ("**Flexport**"). Jori and Flexport are the only third-party logistics providers the Companies have worked with to date who are consistently able to properly handle the products during cross-border shipments. The Companies believe that Jori may cease providing services to the Companies, while Flexport has ceased corresponding with the Companies.

19. The companies are not seeking critical supplier relief at this time but instead are seeking that the payment of pre-filing debts with the Monitor's approval be granted. Specifically, the Companies would seek the payment of the Jori invoice totalling USD$3,058.92 initially, and the Flexport invoice of USD$151,930.62 as required.

20. The Monitor is supportive of seeking this approval from the Court. Further information on this can be found in the Pauls Affidavits.

ACTUAL CASH FLOW RESULTS COMPARED TO FORECAST

21. The Companies' actual cash receipts and disbursements as compared to the Cash Flow Forecast presented in the CCAA Pre-Filing Report during the period of February 22, 2026 to February 28, 2026 (the "**Reporting Period**") for the period of one (1) week is summarized below:

RDFN FUM Natural Products Ltd. and RDFN FUM Natual Products Inc. 1-Week Cash Flow Forecast Variance February 22, 2026 to February 28, 2026 *Unaudited $CAD 000's*	**Actuals**	**Forecast**	***Variance***	***Notes***
Receipts				
Sales	$ 303	$ 386	$ (83)	*a*
Sales Tax Collections	27	37	(10)	
Total Receipts	**329**	**423**	**(94)**	
Disbursements				
Inventory Purchasing	-	157	(157)	*b*
Marketing	3	438	(435)	*c*
Shipping	46	47	(1)	
Platform Payments	20	16	4	
Payroll, Benefits & Payroll taxes	67	90	(23)	*d*
Rent	37	36	1	
Restructuring Professional Fees (Canada)	61	260	(199)	*e*
Restructuring Professional Fees (US)	-	54	(54)	*e*
Other G&A	8	14	(6)	
Sales Tax Remittance	-	-	-	
Total Disbursements	**242**	**1,112**	**(870)**	
Net Cash Flow	**87**	**(689)**	**776**	
Cash Position				
Opening Cash Balance	1,595	1,595	-	
Net Cash Flow	87	(689)	776	
Ending Cash Balance	**$ 1,682**	**$ 906**	**$ 776**	

22. Over the Reporting Period, the Companies experienced a positive cash flow variance of approximately $776,000, primarily as a result of the following timing differences, which are described below:

Receipts

a) a negative temporary timing variance in sales receipts of approximately $83,000 due to the delay in collection of customer payments;

Disbursements

b) a positive temporary timing variance in inventory purchasing of approximately $157,000 due to delayed requirement of certain inventory products;

c) a positive temporary timing variance in marketing services of approximately $435,000 as a result in delayed invoicing from service providers;

d) a permanent positive variance of approximately $23,000 in payroll due to lower than expected payroll costs; and

e) a positive temporary timing variance of approximately $253,000 in restructuring fees and costs due to timing of invoice payments;

UPDATED CASH FLOW FORECAST

23. Management, with the assistance of the Monitor, prepared the CCAA Cash Flow Statement for the 13-week period from February 21, 2026 to May 23, 2026 along with notes and assumptions. For purposes of paragraph 10(2)(a) of the CCAA, the Companies have prepared an updated weekly cash flow forecast (the "**Second Cash Flow Forecast**") for the thirteen-week period from February 28, 2026 to May 30, 2026 (the "**Forecast Period**") using the probable and hypothetical assumptions set out in the notes to the Second Cash Flow Forecast. A copy of the Second Cash Flow Forecast, together with a summary of assumptions are attached hereto as Appendix "**A**".

24. Below is a summary of the Second Cash Flow Forecast and select assumptions:

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc. Second Cash Flow Forecast 13-Week Cash Flow Forecast ending May 30, 2026 *Unaudited $CAD 000's*	13 Week Total
Receipts	
Sales	$ 5,523
Sales tax collections	521
Total Receipts	**6,044**
Disbursements	
Inventory purchasing	924
Marketing	2,014
Shipping	671
Platform payments	208
Payroll, benefits and payroll taxes	601
Rent	108
Restructuring professional fees (Canada)	735
Restructuring professional fees (US)	142
Other general and administrative costs	293
Sales tax remittance	432
Total Disbursements	**6,128**
Net Cash Flow	**(84)**
Cash Position	
Opening cash balance	1,682
Net Cash Flow	(84)
Ending Cash Balance	**$ 1,598**

25. Over the Forecast Period, FUM estimates a closing cash balance of $1.6 million. Key notes and assumptions in respect of the forecast receipts and disbursements are as follows:

    a) cash receipts totaling $6 million primarily consist of sale of FUM's re-usable air devices and flavor core refills, as well as collections of sales tax corresponding to these sales;

    b) inventory purchasing, marketing, shipping, platform payments, rent, payroll, and other general and administrative expenses were estimated based on historical operating data and are anticipated to be paid on a weekly basis. Vendor listings were reviewed by Management and the

timing of certain disbursements were adjusted to reflect anticipated revised payments terms (e.g. cash on delivery);

c) professional fees include the fees and disbursements of the Monitor, counsel to the Monitor, and U.S. and Canadian legal counsel to the Companies; and

d) potential pre and post Filing Canadian sales tax remittances;

26. Pursuant to section 23(1)(b) of the CCAA, and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standards of Professional Practice No. 9, the Monitor hereby reports as follows:

a) the Consolidated Cash Flow Forecast has been prepared by Management for the purpose described in the notes to the Cash Flow Forecast, using probable and hypothetical assumptions as set out in the notes;

b) the Monitor's review of the Consolidated Cash Flow Forecast consisted of inquiries, analytical procedures, and discussion related to information supplied to it by Management. Since hypothetical assumptions need not be supported, the procedures with respect to them were limited to evaluating whether they were consistent with the purposes of the Consolidated Cash Flow Forecast. The Monitor also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Consolidated Cash Flow Forecast;

c) based on the Monitor's preliminary review of the Consolidated Cash Flow Forecast, nothing has come to the Monitor's attention to believe that, in all material respects:

i. the hypothetical assumptions are inconsistent with the purpose of the Consolidated Cash Flow Forecast;

ii. as at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the FUM's plans or do not provide a reasonable basis for the Consolidated Cash Flow Forecast, given the hypothetical assumptions;

iii. or the Consolidated Cash Flow Forecast does not reflect the probable and hypothetical assumptions; and

d) since the Consolidated Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor does not express any assurance as to whether the Consolidated Cash Flow Forecast will be accurate. The Monitor does not express any opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Monitor in preparing this Report.

27. The Consolidated Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

INCREASE TO ADMINISTRATION CHARGE

28. The Initial Order provides for a charge in the amount of $150,000 in favour of the Monitor, counsel to the Monitor and counsel to the Applicants, as security for professional fees and disbursements (the "**Initial Administration Charge**") incurred both before and after the making of the Initial Order in respect of the CCAA Proceedings.

29. The Applicants have applied to this Honourable Court to increase the Initial Administration Charge to $500,000 at the Comeback Application.

30. The Monitor has worked with the Applicants and their counsel to estimate the quantum of the Amended Administration Charge and is satisfied that it is reasonable in the circumstances of the CCAA Proceedings, given the proposed payment for professional fees and disbursements are provided for in the Second Cash Flow Forecast.

31. The Monitor has also compared the quantum of the proposed Amended Administration Charge with those in other recent CCAA Proceedings and is satisfied that it is commercially reasonable and not 'off-market' in the circumstances.

RANKING OF PROPOSED CHARGES

32. As proposed by FUM, the priorities of the Charges, as among them, shall be as follows:

    a) First: Amended Administration Charge, up to the maximum amount of $500,000; and

    b) Second: Directors' Charge, up to the maximum amount of $200,000;

33. Each of the Charges shall constitute a charge on the Property and (if granted) shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise in favour of any Person.

EXTENSION OF THE STAY OF PROCEEDINGS

34. Pursuant to the Initial Order, the Stay Period will expire on March 12, 2026. The Applicants are seeking an extension of the Stay Period to May 26, 2026 (the "**Stay Extension**").

35. The Monitor supports the Stay Extension for the following reasons:

    a) it will afford the Companies and the Monitor sufficient time to advance and possibly complete the administration of the CCAA Proceedings;

b) the Companies are forecast to have sufficient liquidity to continue operating in the ordinary course of business during the requested extension of the Stay Period;

c) no creditor of the Companies will be materially prejudiced by the extension of the Stay Period; and

d) in the Monitor's opinion, the Companies have acted in good faith and with due diligence in these CCAA Proceedings since the date of the Initial Order.

CONCLUSIONS AND RECOMMENDATIONS

36. The Monitor respectfully recommends that this Honourable Court approve the following:

a) the Companies' request for the Amended Administration Charge as detailed in this First Report; and

b) extending the stay of proceedings up to and including May 26, 2026;

All of which is respectfully submitted this 10th day of March, 2026

ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of the Companies
and not in its personal or corporate capacity



Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX A

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc.
Second Cash Flow Forecast
13-Week Cash Flow Forecast ending May 30, 2026
Unaudited $CAD 000's

	Week 1 7-Mar	Week 2 14-Mar	Week 3 21-Mar	Week 4 28-Mar	Week 5 4-Apr	Week 6 11-Apr	Week 7 18-Apr	Week 8 25-Apr	Week 9 2-May	Week 10 9-May	Week 11 16-May	Week 12 23-May	Week 13 30-May	13 Week Total
Receipts														
Sales	$ 100	$ 770	$ 435	$ 435	$ 435	$ 422	$ 422	$ 422	$ 422	$ 415	$ 415	$ 415	$ 415	$ 5,523
Sales tax collections	-	75	42	42	42	40	40	40	40	40	40	40	40	521
Total Receipts	**100**	**845**	**477**	**477**	**477**	**462**	**462**	**462**	**462**	**455**	**455**	**455**	**455**	**6,044**
Disbursements														
Inventory purchasing	14	203	-	20	-	587	-	-	-	-	-	-	100	924
Marketing	435	54	-	-	486	-	52	-	471	-	51	-	465	2,014
Shipping	53	53	53	53	53	51	51	51	51	50	50	51	51	671
Platform payments	16	16	16	16	16	16	16	16	16	16	16	16	16	208
Payroll, benefits and payroll taxes	100	-	100	-	-	100	-	100	-	100	-	101	-	601
Rent	-	-	-	36	-	-	-	36	-	-	-	-	36	108
Restructuring professional fees (Canada)	60	200	35	-	185	-	35	-	185	-	35	-	-	735
Restructuring professional fees (US)	-	-	54	-	-	-	54	-	-	-	34	-	-	142
Other general and administrative costs	13	53	13	13	13	53	13	13	13	54	14	14	14	293
Sales tax remittance	-	-	133	-	-	-	-	152	-	-	-	147	-	432
Total Disbursements	**691**	**579**	**404**	**138**	**753**	**807**	**221**	**368**	**736**	**220**	**200**	**329**	**682**	**6,128**
Net Cash Flow	**(591)**	**266**	**73**	**339**	**(276)**	**(345)**	**241**	**94**	**(274)**	**235**	**255**	**126**	**(227)**	**(84)**
Cash Position														
Opening cash balance	1,682	1,091	1,357	1,430	1,769	1,493	1,148	1,389	1,483	1,209	1,444	1,699	1,825	1,682
Net Cash Flow	(591)	266	73	339	(276)	(345)	241	94	(274)	235	255	126	(227)	(84)
Ending Cash Balance	**$ 1,091**	**$ 1,357**	**$ 1,430**	**$ 1,769**	**$ 1,493**	**$ 1,148**	**$ 1,389**	**$ 1,483**	**$ 1,209**	**$ 1,444**	**$ 1,699**	**$ 1,825**	**$ 1,598**	**$ 1,598**

UNAUDITED CASH FLOW PREPARED BY MANAGEMENT, MUST BE READ IN CONJUNCTION WITH THE NOTES AND ASSUMPTIONS

Dated as at February 29, 2026

RDFN FUM Natural Products Ltd. and
RDFN FUM Natural Products Inc.

Braeden Pauls

Mr. Braeden Pauls, Chief Executive Officer

Alvarez & Marsal Canada Inc., in its capacity
as Monitor of RDFN FUM Natural Products Ltd. and
RDFN FUM Natural Products Inc.

Orest Konowalchuk, CPA, CA , CIRP, LIT
Senior Vice President

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc.
13-Week Cash Flow Forecast
Notes and Summary of Assumptions

Disclaimer

*RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc. (together, "**FUM**" or the "**Companies**") prepared this consolidated Cash Flow Forecast and the accompanying Notes and Summary of Assumptions (collectively the "**Forecast**") in support of their comeback application under the Companies' Creditors Arrangement Act ("**CCAA**").*

*In preparing this Forecast, the Companies relied upon unaudited financial information and have not attempted to further verify the accuracy or completeness of such information. The Forecast includes assumptions described below with respect to the requirements and impact of a filing under the CCAA. Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the period February 29, 2026 to May 30, 2026 (the "**Cash Flow Period**") will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.*

The Forecast is prepared in Canadian dollars.

Hypothetical and Probable Assumptions of the Cash Flow Forecast

1. Sales (presented net of sales tax) are highly correlated with the Companies' level of marketing and is based on historical revenues and the Companies' anticipated ongoing sales volumes of its wellness products. Approximately 80% of sales are generated in the United States with the balance of sales generated in Canada, the United Kingdom, Australia and elsewhere.

2. Inventory purchases are based on expected cost of current purchase orders paid on various payments terms to maintain appropriate stock of saleable goods. The Companies currently have a significant stock of inventory on hand and anticipate a significant restocking of its primary wellness products to occur in or around Week 6.

3. Marketing costs are based on historical marketing performance and the anticipated necessary marketing spend to generate the sales values represented in Note 1. This value has been determined to be the optimal amount of marketing spend for maximum profitability.

4. Shipping is the estimated cost to ship products from the warehouse to customers for sold orders and is based on historical costs representing approximately 10% to 15% of sales.

5. Platform payments are the costs of online sales platforms (e.g. Shopify), platform subscriptions and software necessary for operations.

6. Payroll, benefits and payroll taxes includes salaries, wages, source deductions and employee medical benefits for 18 employees consisting of eleven (11) in Canada, six (6) in the United States and one (1) in the United Kingdom. Payroll is paid on a semi-monthly basis.

7. Rent includes monthly disbursements for the Companies' sole warehouse and shipping location located in Las Vegas, Nevada and an office in Calgary, Alberta.

8. Restructuring professional fees include the estimated fees and disbursements of the Companies' Canadian and United States legal counsels as well as the Monitor and its legal counsel.

9. Other general and administrative costs include costs for, among other things, accounting support and bookkeeping, insurance, supplies and utilities.

10. Sales tax remittances include estimates of the remittance of sales tax for products sold.