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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	**FOURTH REPORT OF ALVAREZ & MARSAL CANADA INC. IN ITS CAPACITY AS MONITOR** **August 21, 2026**

JUDICIAL CENTRE OF CALGARY
FILED DIGITALLY
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TABLE OF CONTENTS OF THE FOURTH REPORT OF THE MONITOR

INTRODUCTION 3

TERMS OF REFERENCE 7

ACTIVITIES OF THE MONITOR 8

CLEARCO CLAIM DISPUTE 9

UPDATE ON THE CLAIMS PROCESS 11

PLAN OF ARRANGEMENT 14

CREDITORS' MEETING 19

MONITOR'S ANALYSIS OF THE PLAN 21

SEALING ORDER 26

CONCLUSIONS AND RECOMMENDATIONS 26

LISTING OF APPENDICES TO THE FOURTH REPORT OF THE MONITOR

CONFIDENTIAL APPENDIX 1 Claim Settlement Agreement

CONFIDENTIAL APPENDIX 2 Liquidation Analysis

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**", "**FUM**" or the "**Applicants**", 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 first affidavit of Mr. Braeden Pauls filed in the Proposal Proceedings, the Court of King's Bench of Alberta (the "**Court**") granted an order (the "**Foreign Representative Order**") authorizing, among other things, 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 Code* (the "**Chapter 15 Proceedings**"). On February 24, 2026, the US Court granted certain provisional relief in favour of the Companies.

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 ("**Stay of**

Proceedings") for an initial ten (10) day period (the "**Initial Stay Period**") and, among other relief, appointing A&M as Monitor of the Companies (the "**Monitor**").

5. On March 12, 2026, the Applicants sought and obtained an amended and restated initial order (the "**ARIO**") which, among other things, extended the Initial Stay Period to May 26, 2026 (the "**Stay Period**") and increased the charge on the assets, property and undertakings of the Companies 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, from $150,000 to $500,000.

6. On March 24, 2026, upon application of FUM Canada as Foreign Representative, the US Bankruptcy Court granted an order approving, among other things, recognition of the Foreign Proceeding (i.e. these CCAA Proceedings) as a foreign main proceeding and final relief in aid of the Foreign Representative in furtherance of the Foreign Proceeding.

7. On April 23, 2026, the Applicants sought and obtained: (i) an extension of the Stay Period to July 31, 2026; (ii) an order extending the Stay of Proceedings to stay enforcement against any guarantees granted by the Applicants' former, current, or future directors, officers, or employees ("**Guarantor Stay Parties**"); and (iii) an order (the "**Claims Process Order**") approving the Applicants' proposed claims process to determine and prove the claims of creditors asserted against the Applicants (the "**Claims Process**").

8. On July 27, 2026, the Applicants sought and obtained: (i) a further extension of the Stay Period to October 2, 2026; (ii) approval of the actions, activities, and conduct of the Monitor, as set out in the Third Report; (iii) approval of a key employee retention plan (the "**KERP**") and a corresponding KERP charge up to the amount of $100,000 (the "**KERP Charge**"); and (iv) approval of the accounts of the Monitor, the Monitor's Canadian Legal Counsel, the Monitor's US Counsel, and the Monitor's Conflict Counsel.

9. On August 19, 2026, the Applicants filed and served a Notice of Application, returnable August 28, 2026 (the "**Original Application**"). On August 21, 2026, the Applicants filed and served an Amended Notice of Application (together with the Original Application, the "**August 28 Application**"), which added a request for and Ancillary Order (defined below), returnable on the same date. The relief sought in the August 28 Application, as amended, is as follows:

a) an Order (the "**Creditors' Meeting Order**"):

i. accepting the filing of the plan of compromise and arrangement of the Applicants dated August 19, 2026 (as may be amended from time to time, the "**Plan**");

ii. authorizing the Applicants to establish two classes of creditors for the purpose of considering and voting on the Plan, namely, the "**Affected Creditors**", as described in the Plan;

iii. authorizing the Applicants to call, hold and conduct a virtual meeting of the Affected Creditors (the "**Creditors' Meeting**") to consider and vote on a resolution to approve the Plan, and approving procedures to be followed with respect to the Creditors' Meeting;

iv. setting the date of October 1, 2026, for the hearing of the application for an order sanctioning the Plan (the "**Plan Sanction Hearing**"), should the Plan be approved for filing and approved by the required majority of creditors at the Creditors' Meeting;

b) an Order (the "**Sealing Order**") temporarily sealing Confidential Appendices **"1"** and **"2"** to this Report (the "**Confidential Appendices**") on the Court Record;

c) an Order (the "**Ancillary Order**") approving the agreement between the Applicants and Clear Finance Technology Corp. ("**Clearco**") (the "**Claim Settlement Agreement**"); and

d) such further and other relief as may be sought by the Applicants, and this Honourable Court may deem appropriate in the CCAA Proceedings.

10. Further information regarding these CCAA Proceedings, including the Initial Order, ARIO, affidavits, the reports of the Monitor and all other materials filed with the Court are available on the Monitor's website at www.alvarezandmarsal.com/FUM (the "**Website**").

11. Capitalized terms not otherwise defined in this Report shall have the meaning ascribed to them in the ARIO, the Prior Reports[1] and the materials filed by the Applicants or any other party in connection with these CCAA Proceedings.

PURPOSE

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

a) the activities of the Monitor since the Third Report of the Monitor dated July 21, 2026;

b) an overview of the dispute pertaining to the proof of claim submitted by Clearco in the Claims Process, and the subsequent execution of the Claim Settlement Agreement related thereto;

c) an update on the Claims Process;

[1] The First Report of the Proposal Trustee and Proposed Monitor dated February 26, 2026 (the **"Pre-Filing Repor**t"), the First Report of the Monitor dated March 10, 2026 (the **"First Repo**rt"), the Second Report of the Monitor dated April 17, 2026 (th**e "Second Rep**ort"), and the Third Report of the Monitor dated July 21, 20**26 (the "Third Report**") are collectively referred to as the **"Prior Monit**or **Reports**".

d) an overview of the Plan proposed to be filed and circulated to creditors by the Applicants;

e) the proposed Creditors' Meeting Order outlining the process to be followed at the meeting of creditors to vote on the Plan;

f) the Monitor's analysis of the Plan and Creditors' Meeting Order;

g) the application for the Sealing Order concerning the Confidential Appendices to this Report; and

h) the Monitor's conclusions and recommendations in respect of the above.

TERMS OF REFERENCE

13. 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.

14. 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.

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

ACTIVITIES OF THE MONITOR

16. Since the date of the Third Report, the Monitor's activities have included the following:

a) convening numerous meetings with the Companies' legal counsel, MLT Aikins LLP ("**MLT**" or the "**Companies' Legal Counsel**"), to discuss matters relating to the formulation of the proposed Plan, the Creditors' Meeting, the Claims Process, and the CCAA Proceedings generally, and to provide material developments to date;

b) administering the Claims Process, in consultation with Management, the Companies' Legal Counsel, Osler, Hoskin & Harcourt LLP (the "**Monitor's Legal Counsel**") and Norton Rose Fulbright Canada LLP (the "**Monitor's Conflict Counsel**"), including reviewing and assessing Proofs of Claim, preparing and issuing Notices of Revision and Disallowance, communicating with claimants regarding their claims, and addressing ongoing enquiries and claim-related matters;

c) convening weekly meetings with Management to review and discuss the Companies' actual cash flow results against Management's forecasts;

d) responding to creditor and stakeholder enquiries, and corresponding with Management in respect of communications with customers;

e) working with Management, the Companies' Legal Counsel, the Monitor's Legal Counsel, and the Monitor's Conflict Counsel to formulate the Plan and prepare materials in respect of the Creditors' Meeting;

f) reviewing the Companies' application materials in respect of the August 28 Application;

g) preparing this Fourth Report; and

h) maintaining the Monitor's Website.

CLEARCO CLAIM DISPUTE[2]

Background

17. On June 10, 2026, Clearco submitted a proof of claim asserting a secured claim against FUM Canada and FUM US, which was later revised on June 15, 2026, in advance of the Claims Bar Date, to assert a property claim (as revised, the "**Clearco Claim**") against receivables. The Clearco Claim was for USD $679,038.40 (CAD $929,467.78) and related to receivables owing under two agreements dated November 26, 2025, and December 23, 2025. Legal fees, disbursements, and costs were claimed in materials appended to the ClearCo Claim.

18. On July 3, 2026, the Monitor issued a Notice of Revision or Disallowance in respect of the Clearco Claim (the "**Notice of Disallowance**"), which disallowed the Clearco

[2] Terms not defined in this section have the meaning ascribed to them in the Claims Process Order.

Claim against FUM Canada in its entirety and revised the Clearco Claim against FUM US from a property claim to an unsecured claim, without revising the Claimed Quantum.

19. On July 10, 2026, in accordance with the Claims Process, Clearco submitted a Notice of Dispute. Clearco subsequently filed an application to set aside the Notice of Disallowance on July 24, 2026, which was set down to be heard on September 16, 2026 (the "**Disallowance Application**")[3].

20. Notwithstanding the issuance of the Notice of Disallowance, the Monitor encouraged FUM and Clearco to attempt to negotiate a consensual resolution of the Clearco Claim in order to avoid the cost, delay, and uncertainty associated with litigating the Disallowance Application, and to provide certainty with respect to the classification of creditors in advance of the proposed Creditors' Meeting.

Claim Settlement Agreement

21. Effective August 20, 2026, FUM and Clearco (together, the "**Parties**") entered into the Claim Settlement Agreement, pursuant to which it was agreed that the Clearco Claim constitutes a secured claim against each of FUM Canada and FUM US for USD $679,038.40 plus USD $25,000 for reasonable legal fees, in accordance with the Claims Process and for the purposes of the classification of creditors in respect of the Plan. The Claim Settlement Agreement is subject to approval by this Honourable Court.

22. The Monitor has reviewed the Claim Settlement Agreement and supports it, including its treatment of the Clearco Claim as a secured claim against both FUM Canada and FUM US, and not a property claim against either of them. In the Monitor's view, the Claim Settlement Agreement represents a reasonable and pragmatic resolution of the Clearco Claim that avoids the costs and risks of

[3] The Disallowance Application was adjourned *sine die* on August 17, 2026.

litigation, preserves estate resources, and permits the CCAA Proceedings to advance toward the filing of the Plan without delay.

23. The Claim Settlement Agreement is confidential; however, disclosure is permitted to the Parties' respective legal, financial, or accounting representatives or advisors, to the Monitor (including for the purposes of reporting to the Court and stakeholders in the CCAA Proceedings), and to governmental authorities.

24. Given the confidential nature of the Claim Settlement Agreement, the Monitor has attached a copy of the agreement, together with its analysis and comments in support thereof, as Confidential Appendix "**1**" to this Report. Any other creditor of FUM that reasonably believes it is affected by the Claim Settlement Agreement may request a copy from the Monitor, subject to the execution of a confidentiality agreement satisfactory to the Monitor.

UPDATE ON THE CLAIMS PROCESS[4]

25. On April 23, 2026, this Honourable Court granted the Claims Procedure Order, which is described in greater detail in the Second Report. The Claims Bar Date was June 15, 2026. Following the Claims Bar Date, and in consultation with the Company and the Claimants, the Monitor has continued to: (i) review and accept Proofs of Claims and (ii) issue Notices of Revision or Disallowance ("**NORD**"). A summary of the status of the Claims as of the date of this Report is set out below:

[4] Terms not defined in this section have the meaning ascribed to them in the Claims Process Order.

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc.
Summary of Claims
$CAD 000's

	Accepted		Under Review[(1)]		Total	
	Claims	**Amount**	**Claims**	**Amount**	**Claims**	**Amount**
Unsecured Claims	40	5,719	2	2,239	42	7,958
Late Unsecured Claims	4	178	1	7	5	186
Contingent Unsecured Claims	3	936	-	-	3	936
Secured Claims[(2)]	1	552	1	929	2	1,481
Total	**48**	**$ 7,385**	**4**	**$ 3,176**	**52**	**$ 10,562**

(1) Claims under review reflect the initial quantum of the Claims as submitted by creditors in the Claims Process and remain subject to change upon the issuance and acceptance of NORDs.
(2) The Clearco Claim is presented as under review, as the Claim Settlement Agreement remains subject to Court approval.

Summary of Proof of Claims Received

26. As at the date of this Report, the Monitor has received 52 Proofs of Claims totalling $10.6 million, of which 48 Proofs of Claims totalling $7.4 million have either been accepted by the Monitor as submitted, or a NORD has been issued and has not been disputed by the Claimant. The accepted Proofs of Claims are comprised of the following:

a) 40 unsecured claims totalling $5.7 million;

b) 4 unsecured claims filed after the Claims Bar Date totalling $178,000 (the "**Late Unsecured Claims**"). The Monitor, in consultation with the Company, has admitted the Late Unsecured Claims for review and has accepted them;

c) 3 contingent unsecured claims totalling $936,000 (the "**Contingent Unsecured Claims**"). The Contingent Unsecured Claims are comprised of Claims from the Personal Guarantors[5] to the BDC Loan, of which the

[5] The Personal Guarantors are Daniel Odgen, Braeden Pauls, and Josiah Pauls.

Monitor has accepted a Claim totalling $312,127 for each guarantor. The Contingent Unsecured Claims are conditional on: (i) the amount that BDC recovers from the Companies; and (ii) the amount that the Personal Guarantors are called upon to pay; and

d) 1 secured claim in the amount of $551,724 from Wayflyer Financial DAC.

27. There are 4 Proofs of Claims totalling $3.2 million that remain under review. While all four Claims remain under review, the Monitor wishes to bring the following two Claims to the Court's attention:

a) the Clearco Claim in the amount of $929,468[6], which is presented as under review as the Claim Settlement Agreement remains subject to Court approval; and

b) a property claim from Mr. Janai Whelan ("**Mr. Whelan**"), which has no value ascribed to it but asserts an interest in FUM's intellectual property (the "**Whelan Claim**"). The Receiver issued a NORD in respect of the Whelan Claim on August 12, 2026. On August 19, 2026, Mr. Whelan submitted a Notice of Dispute and indicated that he will be filing an application in accordance with the Claims Process to have his claim approved. This matter remains outstanding as of the date of this Report and the Monitor will provide further updates in future reporting to the Court.

28. In summary, of the 52 Claims received to date, 4 Claims totalling $3.2 million remain to be adjudicated in the Claims Process and 48 Claims totalling $7.4 million

[6] The Clearco Claim was converted from USD to CAD based on the Bank of Canada's noon spot exchange rate (1.3688) as of the date of the Claims Process Order (April 23, 2026) and is exclusive of fees, costs and disbursements.

have been accepted by the Monitor. The Monitor will provide a further update on the Claims Process in subsequent reports to the Court.

PLAN OF ARRANGEMENT[7]

Overview

29. The Applicants, in consultation with the Monitor, have developed the proposed Plan to ensure that persons with an economic interest that is impacted by the Plan will, collectively, derive a greater benefit from the implementation of this Plan than they would derive from a bankruptcy or liquidation of the Applicants.

30. In general, the Plan includes the following key elements, as more fully particularized in the Plan:

    a) FUM Canada's operations will continue in the normal course and without disruption following Plan implementation;

    b) FUM US's operations will be wound down in an orderly manner through a bankruptcy under Chapter 7 of the US Bankruptcy Code;

    c) a Secured Creditor Cash Fund in an amount of $1.1 million will be established to be distributed *pro rata* to Affected Secured Creditors with Accepted Secured Claims on the Plan Distribution Date (the "**Secured Initial Distribution**");

    d) additional ongoing *pro rata* payments of approximately $26,502 per month will be distributed to Affected Secured Creditors with Accepted Secured Claims over a 6-month period, commencing 30 days after the date of payment of the Secured Initial Distribution (the "**Secured Pro**

[7] Terms not defined in this section have the meaning ascribed to them in the Creditors' Meeting Order and the Plan.

Rata Installments");

e) an Unsecured Creditor Cash Fund up to a maximum amount of approximately $66,741[8] will be established to pay Convenience Class Claims to Convenience Class Creditors in an amount that is the lesser of $2,500 or the amount of their Convenience Class Claim, on the Plan Distribution Date; and

f) Affected Unsecured Creditors with Accepted Unsecured Claims who are not Convenience Class Creditors will receive ongoing monthly *pro rata* payments of $30,000 per month, up to a maximum of $330,000 in aggregate, over a period of 11 months (the "**Unsecured Pro Rata Installments**"), with payments commencing 30 days after completion of the Secured Pro Rata Installments.

31. The purpose of the Plan is to, among other things: (i) facilitate the bankruptcy of FUM US; (ii) ensure the continuation of FUM Canada's operations; (iii) facilitate the distributions contemplated in the Plan; (iv) effect a compromise and arrangement of all Affected Claims of FUM Canada; and (v) effect a release and discharge of all Affected Claims of FUM Canada and the Released Claims.

Arrangement and Compromise under the Plan

32. The structure of the Plan is as follows:

a) the Plan is presented to two classes of Affected Creditors of FUM Canada: (i) Affected Secured Creditors with Accepted Secured Claims and (ii) Affected Unsecured Creditors with Accepted Unsecured Claims for the purpose of voting on the Plan and receiving distributions under

[8] The Unsecured Creditor Cash Fund may need to be adjusted depending on the number of Affected Unsecured Creditors who elect to be Convenience Class Creditors.

the Plan;

b) the Monitor shall establish and administer in a bank account held by the Monitor, the Secured Creditors Cash Fund and Unsecured Creditors Cash Fund to be distributed among eligible voting creditors in full consideration for the irrevocable, full and final compromise and satisfaction of such Accepted Secured Claims and Accepted Unsecured Claims pursuant to the following methodology:

   i. each eligible voting Affected Secured Creditor shall be entitled to receive the Secured Initial Distribution on the Plan Distribution Date plus Secured Pro Rata Installments up to an aggregate amount equal to $1,259,013 of the Accepted Secured Claims;

   ii. each Convenience Class Creditor with a Convenience Class Claim will be paid the lesser of $2,500 and their Accepted Unsecured Claim on the Plan Distribution Date; and

   iii. Affected Unsecured Creditors with Accepted Unsecured Claims who are not Convenience Class Creditors shall be entitled to receive the Unsecured Pro Rata Installments, commencing 30 days after completion of the Secured Pro Rata Installments and paid over a period of 11 months; and

c) upon being sanctioned and approved by the Court (the "**Sanction Order**"), the Plan shall be effective and binding, and shall constitute, among other things: (i) a full, final, and absolute settlement of all rights of all Creditors of FUM Canada; and (ii) an absolute release, extinguishment, and discharge of all indebtedness, liabilities, and obligations of FUM Canada in respect of any Creditor. Additionally, the Plan shall provide for a release of: FUM Canada; the directors and officers of FUM Canada; the legal and financial advisors and other

representatives of FUM Canada; and the Monitor and its legal advisors.

Treatment of Creditors

33. The Plan proposes to treat claims in the following manner:

Claim Type	Treatment
Secured Claims	Affected Secured Creditors with Accepted Secured Claims will receive the applicable: (a) Secured Initial Distribution; and (b) Secured Pro Rata Installments in respect of their Accepted Secured Claim, in accordance with the Plan.
Convenience Class Claims	Convenience Class Creditors with Convenience Class Claims will receive a payment equal to the lesser of (i) $2,500; or (ii) their Convenience Class Claim.
Unsecured Claims	Affected Unsecured Creditors with Accepted Unsecured Claims who are not Convenience Class Creditors will receive the applicable Unsecured Pro Rata Installments in respect of their Accepted Unsecured Claim, in accordance with the Plan.
Unaffected Claims	Persons with Unaffected Claims will not be entitled to vote at any Creditors' Meeting or receive any distributions under the Plan in respect of the portion of their claim which is an Unaffected Claim.

Funds and Reserves

34. On or prior to the Plan implementation date, the Applicants shall deliver, or cause to be delivered, to the Monitor, an amount equal to the Secured Creditor Cash Fund and Unsecured Creditor Cash Fund (together, the "**Plan Implementation Fund**").

Conditions Precedent to Plan Implementation

35. The implementation of the Plan is subject to certain conditions precedent, separately in favour of the Applicants, including, *inter alia*:

a) the Plan shall have been approved by the Required Majority in

accordance with the CCAA;

b) the Sanction Order shall have been granted by the Court in a form acceptable to FUM and the Monitor and shall be in full force and effect and not reversed, stayed, varied, modified, or amended;

c) the Sanction Order shall have been recognized by the Chapter 15 Court;

d) the Monitor shall have received from FUM the funds needed to establish and shall have established the Plan Implementation Fund;

e) no injunction or other order shall have been issued to enjoin, restrict or prohibit any of the compromises, arrangements, releases and the transactions;

f) all necessary corporate action and proceedings of FUM shall have been taken to approve the Plan;

g) all agreements, resolutions, documents and other instruments, which are reasonably necessary to be executed and delivered by FUM, in order to implement this Plan or perform FUM's obligations under this Plan or the Sanction Order, shall have been executed and delivered; and

h) all outstanding obligations, liabilities, fees and disbursements secured by the Administration Charge, if any, which are evidenced by invoices as at the Effective Date shall be fully paid by the Monitor, on behalf of FUM, from the Plan Implementation Fund.

Plan Implementation Date

36. The Plan becomes effective upon satisfaction or waiver of the conditions set out in Section 8.1 and Section 8.2 of the Plan (as summarized above), as confirmed by written notice by FUM to the Monitor, and the Monitor delivers to FUM a certificate which states that all conditions precedent have been satisfied.

CREDITORS' MEETING[9]

37. The Applicants are seeking a Creditors' Meeting Order, which will give them the authority to circulate the Plan and related meeting materials to the Affected Creditors for the purpose of voting on the Plan.

38. The Creditors' Meeting Order proposes, *inter alia*:

a) the Creditors' Meeting shall be held virtually by Microsoft Teams videoconference on September 18, 2026 at 10:00 am Mountain Daylight Time for the purposes of considering and voting on, with or without variation, the Plan;

b) a representative of the Monitor shall act as the Chairperson of the Creditors' Meeting and, subject to any further Order of this Court, shall decide all matters relating to the conduct of the Creditors' Meeting;

c) the Monitor shall post electronic copies of the meeting materials (the "**Creditors' Meeting Materials**") on the Monitor Website and serve a copy of the same on the Service List within two (2) business days following the granting of the Creditors' Meeting Order, and send the Creditors' Meeting Materials by mail, courier, personal delivery or e-mail to each Affected Creditor within five (5) business days of the date of the Creditors' Meeting Order. The Creditors' Meeting Materials include the Notice to Affected Creditors; the Creditors' Meeting Order; the Plan; a blank form of Affected Creditor Proxy; the Electronic Meeting Protocol; the Plan Information Letter; and the Distribution Election Notice.

d) no later than seven (7) business days before the date of the Creditors'

[9] Terms not defined in this section have the meaning ascribed to them in the Creditors' Meeting Order.

Meeting, the Monitor shall serve a report regarding the Plan pursuant to section 23(1)(d.1) of the CCAA by serving a copy of the same on the Service List and posting such report on the Monitor's Website; and

e) in the event the Plan is approved by the requisite majorities of creditors at the Creditors' Meeting, the Applicants may file an application with this Court seeking a Sanction Order.

39. Affected Creditors shall each be entitled to one (1) vote as part of their respective creditor class, in an amount equal to their Accepted Secured Claim or Accepted Unsecured Claim. For certainty, Convenience Class Creditors shall each be deemed to vote in favour of the Plan in the amount of such Creditor's Accepted Unsecured Claim.

40. Any Affected Creditor that is entitled to vote at the Creditors' Meeting must:

a) complete and sign an Affected Creditor Proxy substantially in the form attached as Schedule C to the Creditors' Meeting Order;

b) specify in the Affected Creditor Proxy the name of the person with the power to attend and vote at the Creditors' Meeting on behalf of such Affected Creditor; and

c) deliver such Affected Creditor Proxy to the Monitor so that it is received at or prior to 5:00 p.m. on the day that is two (2) Business Days before the Creditors' Meeting and such delivery must be made in accordance with the instructions accompanying such proxy.

41. Any Affected Creditor with a Voting Claim who has a Disputed Claim against FUM Canada shall be entitled to attend the Creditors' Meeting and shall be entitled to one vote in respect of their Disputed Claim. The Monitor shall keep a separate record of votes cast by Affected Creditors with Disputed Claims and shall report to the Court with respect thereto at the Plan Sanction Hearing. The votes cast in respect

of any Disputed Claims shall not be counted for any purpose unless, until and only to the extent that such Disputed Claim is finally determined to be an Accepted Claim, as applicable. If approval or non-approval of the Plan by Affected Creditors would be affected by the votes cast in respect of Disputed Claims, such result shall be reported to the Court as soon as reasonably practicable after the Creditors' Meeting.

42. The results of the vote conducted at the proposed Creditors' Meeting are proposed to be binding on all of the Affected Creditors, whether or not the Affected Creditor is present in person or by proxy for voting at the Creditors' Meeting.

43. Further details of the Creditors' Meeting, including conduct at the Creditors' Meeting and other general provisions are included in the Creditors' Meeting Order.

MONITOR'S ANALYSIS OF THE PLAN

Overview

44. The Applicants have made considerable efforts to prepare the Plan in a manner that addresses, to the extent possible, the various stakeholder groups' concerns. The Applicants, in consultation with the Monitor, have prepared the Plan in a manner they believe achieves a result that is a fair and reasonable compromise between the Company and the Affected Creditors.

45. Management has indicated that there are no other viable restructuring options available other than the Plan, the alternative to which would be a formal liquidation. As discussed below, the Monitor agrees with Management's estimate that a liquidation scenario provides a materially worse recovery position to the Affected Creditors.

46. It is a condition of the Plan that the Affected Creditors must approve the Plan by the Required Majority. For greater certainty, the Affected Creditors shall not be bound by the terms of the Plan unless they have agreed to the Plan by the Required

Majority. If the Affected Creditors do not approve the Plan, the likely scenario would be liquidation proceedings, under which FUM Canada's unsecured creditors would be anticipated to receive no distributions.

47. The Plan contemplates that the Affected Creditors will be grouped into two creditor classes: Affected Secured Creditors and Affected Unsecured Creditors. The Applicants, with the support of the Monitor, believe that there will be no material prejudice experienced by any of the Affected Creditors from the Plan's classes of creditors given, as indicated below, that there would be no distributions to unsecured creditors in a liquidation scenario and Affected Secured Creditors will likely receive a higher distribution under the Plan than in the liquidation scenario.

48. The Applicants are of the view that the Plan and the related distribution process not only provides for a better return than in a liquidation scenario, but also provides the Affected Creditors with the following advantages:

a) in a liquidation scenario, the distributions to creditors would (in the case of bankruptcy) be subject to a statutory levy pursuant to the BIA, which is deducted from the distributions and payable to the Superintendent of Bankruptcy. No levy is payable in respect of distributions under the CCAA Proceedings;

b) a liquidation scenario would result in increased professional fees and costs as a result of the potential requirement for another claims process, a potential sales process to try and monetize the assets of the Applicants (which would have no certain outcome), and associated administrative and holding costs; and

c) a bankruptcy or liquidation scenario may fail to realize any value from certain corporate attributes that are available when the Applicants' business continues as a going concern.

Creditor Analysis

49. The Monitor has prepared the Liquidation Analysis, which details the anticipated recoveries by the Affected Creditors, and is attached to this Report as Confidential Appendix "**2**". The Liquidation Analysis includes sensitive information. Accordingly, a summary of the Liquidation Analysis is tabled below:

FUM
Liquidation Analysis

$CAD 000's	Liquidation Outcomes High	Low	Plan Distribution
Liquidation proceeds	**$ 1,353**	**$ 919**	
Secured Claims[(1)]	(1,481)	(1,481)	
Secured Creditors Recovery (%)	***91%***	***62%***	***85%***
Shortfall to Unsecured Creditors	**(129)**	**(562)**	
Unsecured Claims [(2)]	(9,845)	(10,298)	
Unsecured Creditors Recovery (%) [(3)]	***0%***	***0%***	***5% to 100%***

(1) Clearco is treated as a claimant in the Secured Creditor class, consistent with the Claim Settlement Agreement.
(2) Under a liquidation scenario it is estimated that there may be additional unsecured claims related to landlord damages and employee termination and severance.
(3) Recovery percentage to Unsecured Creditors under the Plan will vary subject to the Unsecured Creditor's classification as a Convenience Class Creditor. Convenience Class Creditors with claims less than $2,500 will receive 100% of their respective claim. Unsecured Creditors who are not Convenience Class Creditors will receive *pro rata* monthly payments up to a maximum of $330,000, in aggregate, over an 11-month period.

50. The notes to the Liquidation Analysis are included in Confidential Appendix "**2**" and should be read in conjunction with the Liquidation Analysis as they describe the assumptions and analysis used by the Monitor.

51. In preparing this Liquidation Analysis, the Monitor has necessarily relied upon unaudited financial and other information supplied, and representations made to the Monitor, by Management or from certain external sources. Although the information has been reviewed for reasonableness, the Monitor has not independently verified the accuracy or completeness of the information provided by Management nor conducted an audit, and accordingly, the Monitor is not

providing any form of assurance thereon. This preliminary assessment of value is not considered a formal business and/or asset valuation opinion, and the Monitor has not provided such an opinion thereon and is based on the assumptions as discussed in Confidential Appendix "**2**". The Monitor has not provided any assurance on the reasonableness of the assumptions considered in Confidential Appendix "**2**". Any changes to one or more of the underlying assumptions or the information provided may have a material impact on any calculations and/or conclusions contained in this Report. The Monitor is not providing an opinion on the fair market value in accordance with CICBV Practice Standard 110.

52. The Monitor is of the view that the Plan addresses various stakeholders' positions relating to the distribution and recovery to each creditor class by taking into account the following:

a) Affected Secured Creditors would receive *pro rata* distributions approximating $1.3 million, in aggregate, and representing approximately 85% of the Affected Secured Claims, through payments made under the Secured Initial Distribution and Secured Pro Rata Installments. While the recovery under the Plan is lower than the estimated high end of recovery to Affected Secured Creditors under a liquidation scenario (91%), the Plan provides greater certainty of distributions and timelines and allows FUM Canada to continue operating in the normal course to provide economic benefits to all parties going forward;

b) Convenience Class Creditors with Accepted Unsecured Claims less than $2,500 would receive 100% of their Accepted Unsecured Claims upon implementation of the Plan. Conversely, these Convenience Class Creditors would receive no distributions under a liquidation scenario;

c) Affected Unsecured Creditors who are not Convenience Class Creditors will receive monthly *pro rata* payments of $30,000 per month, up to a

maximum of $330,000, in aggregate, over an 11-month period. Alternatively, these Affected Unsecured Creditors may elect to be classified as a Convenience Class Creditor and receive the lesser of $2,500 and their respective Convenience Class Claim. Conversely, these Affected Unsecured Creditors would receive no distributions under a liquidation scenario; and

d) the Plan complies with the requirements of section 6 of the CCAA with respect to priority claims. There are no outstanding claims against the Applicants by the Canada Revenue Agency in respect of unremitted source deductions, and there are no amounts due and owing to employees of the type described in section 6(5) of the CCAA. Accordingly, no priority claims rank ahead of the distributions contemplated in the Plan.

Conclusion

53. The quantum of secured debt is greater than the estimated net proceeds if the property of the Applicants were to be liquidated. While the high range of liquidation outcomes illustrate a potential higher recovery (91%) to secured creditors than under the Plan (85%), the high range of liquidation outcomes is forecast to be a best-case scenario and the recovery cannot be guaranteed due to potential higher professional fees and disbursements and unforeseen costs and liquidation recovery values, which would also be reduced by the costs of realizing on and liquidating the assets of the Applicants. Accordingly, the Affected Creditors will receive a greater recovery under the Plan.

54. Pursuant to section 23(1)(i) of the CCAA, the Monitor is of the opinion that the Plan is fair and reasonable and provides the best available return, as the Affected Creditors will receive a greater recovery than under the alternative (formal liquidation proceedings).

55. The Monitor is of the opinion that granting the Creditors' Meeting Order is fair and reasonable under the circumstances.

SEALING ORDER

56. The Applicants are seeking a Sealing Order temporarily sealing the Confidential Appendices on the Court Record, which includes the Claim Settlement Agreement and Liquidation Analysis.

57. Notwithstanding, the information within the Confidential Appendices includes sensitive information, as described above, any other creditor of FUM that reasonably believes it is affected by the Claim Settlement Agreement may request a copy from the Monitor, subject to entering into a confidentiality agreement or undertaking satisfactory to the Monitor.

58. The sealing of this type of sensitive information is the common practice in insolvency proceedings to avoid disruption to debtor companies and maximize value. The Monitor does not believe that any stakeholder will be prejudiced if the Claim Settlement Agreement and Liquidation Analysis are temporarily sealed. The Monitor has not identified any public interest that would be served if the Confidential Appendices are disclosed in full.

59. As such, the Monitor is respectfully of the view that it is appropriate for this Honourable Court to seal the Confidential Appendices until further order of the Court, in accordance with the proposed form of Sealing Order.

CONCLUSIONS AND RECOMMENDATIONS

60. Based on the current information that has been made available to the Monitor by the Applicants, the Monitor is of the opinion that the relief sought by the Applicants is appropriate and respectfully recommends that this Honourable Court approve the following:

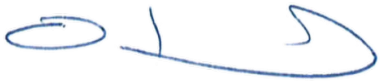
a) the Creditors' Meeting Order;

b) the Sealing Order; and

c) the Ancillary Order approving the Claim Settlement Agreement.

All of which is respectfully submitted this 21st day of August, 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



David Williams, CPA, CA, CIRP, LIT
Vice President