

**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 A PLAN OF
FRESHSTONE BRANDS INC.**

(Applicant)

APPLICATION RECORD

June 8, 2026

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TO: Service List

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R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF
FRESHSTONE BRANDS INC.**

**SERVICE LIST
(as of June 8, 2026)**

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Interested Parties	
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Mississauga, ON L4W 1J3 Email: absecparties@eservicecorp.ca	
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**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FRESHSTONE BRANDS INC.**

(Applicant)

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TAB 1

**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 A PLAN OF COMPROMISE OR ARRANGEMENT OF
FRESHSTONE BRANDS INC.**

Applicant

NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing:

- In person
- By telephone conference
- By video conference

on June 9, 2026, at 2PM (ET) via Zoom videoconference:

SCJvirtual courtroom420 is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://ca01web.zoom.us/j/68763445471?pwd=c212MHFNentVXZrS0NYTkZXWUdQQT09>

Meeting ID: 687 6344 5471

Passcode: 530196

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date _____, 2026

Issued by _____
Local registrar

330 University Avenue
7th Floor
Toronto, Ontario
M5G 1R7

APPLICATION

THE APPLICANT MAKES THIS APPLICATION FOR¹:

1. An initial order (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), substantially in the form attached at Tab 3 of the Applicant’s application record (the “**Application Record**”), which will provide for, *inter alia*, the following initial relief:

- (a) Application of the CCAA. A declaration that Freshstone Brands Inc. (“**Freshstone**” or the “**Applicant**”) is a party to which the CCAA applies;
- (b) Stay of Proceedings. A stay of all proceedings and remedies taken or that might be taken against or in respect of Freshstone, any of its Property (as defined below) or business, or its director and officers, except as otherwise set forth in the Initial Order or as otherwise permitted by law (the “**Stay**”), for an initial period of ten (10) days in accordance with the CCAA (the “**Stay Period**”);
- (c) Appointment of Monitor. The appointment Deloitte Restructuring Inc. (“**Deloitte**” or the “**Proposed Monitor**”) as monitor of Freshstone in these proceedings (the “**CCAA Proceedings**”).;
- (d) Administration Charge and Directors’ Charge. The granting of an Administration Charge (as defined below) in an initial amount of \$250,000 and a Directors’ Charge (as defined below) in an amount of \$1,750,000 to cover the potential exposure of the beneficiaries of such charges during the initial Stay Period;

¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the affidavit of Frank Burdzy sworn on June 8, 2026.

- (e) DIP Financing and DIP Lender's Charge. The approval of a DIP Facility Loan Agreement (the "**DIP Credit Agreement**") entered into between Garrington Financial Services Inc., as lender ("**Garrington**" or the "**DIP Lender**"), and the Applicant, as borrower, and the authorization for the Applicant to borrow under the DIP Credit Agreement an initial amount of up to \$1,600,000 during the initial Stay Period (the "**Authorized DIP Amount**"), which Authorized DIP Amount is to be secured by a priority charge against the assets of the Applicant for the benefit of the DIP Lender (the "**DIP Lender's Charge**"). The DIP Lender's Charge will rank in priority to all other encumbrances, whether conventional or legal, including over the claims of the federal and provincial governments subject to a deemed trust, but will rank subordinated to the Administration Charge;

2. If the Initial Order sought is granted, Freshstone will also seek, at a "*comeback hearing*" which will take place on June 18, 2026 (the "**Comeback Hearing**"):

- (a) an amended and restated initial order (the "**ARIO**"), which will provide for, *inter alia*, the following additional relief:
- (i) Stay of Proceedings. An extension of the Stay Period until October 16, 2026;
 - (ii) Administration Charge and Directors' Charge. An increase of the Administration Charge to a total amount of \$650,000 and the Directors' Charge to a total amount of \$2,000,000; and
 - (iii) DIP Financing. An increase of the Authorized DIP Amount to a maximum aggregate principal amount at no time exceeding the lesser of (i)

\$7,000,000 and (ii) an amount equal to the Borrowing Base (as defined in the Credit Agreement) then in effect;

- (b) a sale and investor solicitation process order (the “**SISP Order**”), which will provide for, *inter alia*:
- (i) Engagement of Sale Advisor. The engagement of GlassRatner Advisory Canada (“**GR**”) to act as sale advisor (in such capacity, the “**Sale Advisor**”) to the Applicant for the sale and investor solicitation process (the “**SISP**”) to be conducted in the context of the CCAA Proceedings; and
 - (ii) Conduct of the SISP in Accordance with the SISP Procedures. The authorization for the Applicant, with the assistance of the Sale Advisor and under the supervision of the Proposed Monitor, to conduct and implement the SISP in accordance with the procedures set out in the annex appended to the draft SISP Order (the “**SISP Procedures**”);

THE GROUNDS FOR THE APPLICATION ARE:

General

3. Freshstone is a leading Canadian manufacturer of prepared meals with operations strategically located mainly in Ontario, near the U.S. market, and specializing in fresh, high-quality products for retail, foodservice and co-manufacturing channels;

4. Given the current economic context, Freshstone has faced significant financial challenges in recent months. Persistent inflationary pressures affecting raw material costs, labor expenses, and supply chain logistics have substantially increased the company’s cost of operations. At the same time, these inflationary conditions have led to reduced consumer demand, leading to increased price-sensitive purchasing behavior. The combination of rising costs and declining

sales volumes has compressed Freshstone's margins and generated material financial difficulties;

5. In an effort to stabilize its operations and address the foregoing financial challenges, the Applicant previously initiated a comprehensive and rigorous market solicitation process, with the assistance of Origin Merchant Partners, to assess the potential strategic opportunity of divesting its *Kitchen Partners* division and related business assets ("**Kitchen Partners**");

6. As a result of this market solicitation process, Freshstone successfully completed the sale of Kitchen Partners, the proceeds of which enabled it to satisfy its obligations to its then senior secured creditor, and ultimately effect a material reduction in its total indebtedness;

7. Despite the above, Freshstone's financial situation remains challenging as it is unable to meet its obligations as and when they become due, and is therefore insolvent. After careful review of all available alternatives, Freshstone has recently determined that it was in its best interest and that of its stakeholders to seek this Court's protection under the CCAA;

8. Ultimately, and subject to the Court's approval, Freshstone intends, under the supervision of the Court, to:

- (a) restructure its operations to optimize its cost structure, streamline production processes and enhance overall operational efficiency; and
- (b) implement the SISF and solicit offers for its remaining assets that were not acquired through the previous market solicitation process, ultimately with a view to continue its operations on a going-concern basis, so as to preserve Canadian jobs and maximize value for its creditors and other stakeholders;

9. In addition to the above, it should be noted that Frank Burdzy intends to submit a bid (the “**Stalking Horse Bid**”) which contemplates that either he or a company to be designated by him, will act as a “*stalking horse bidder*” in the context of the SISP, so as to establish a floor price for the sale of the Applicant’s assets and, more importantly, ensure that if no superior offer is submitted in the context of the SISP, the Applicant’s operations will still be able to continue as a going concern. As soon as the Stalking Horse Bid is finalized, Freshstone will be submitting supplemental motion materials seeking the Court’s approval thereof;

Stay of Proceedings

10. The Applicant requires a Stay as part of the Initial Order for an initial period of ten (10) days in accordance with the CCAA, which it intends to seek the extension thereof at the Comeback Hearing;

11. Ultimately, the present CCAA Proceedings are commenced with a view to stabilize, restructure and preserve Freshstone’s business operations and initiate, with the assistance of GR as Sale Advisor, and under the supervision of this Court and of the Proposed Monitor, a SISP designed to broadly canvass the market, and solicit offers from potentially interested parties that will allow Freshstone to maximize value for the benefit of its creditors and other stakeholders and ensure the continuation of its operations as a going concern;

12. As previously mentioned, Freshstone is currently negotiating the terms of a Stalking Horse Bid, the purpose of which will be to establish a floor price for the sale of its assets and, more importantly, ensure that if no superior offer is submitted in the context of the SISP, Freshstone’s operations will still be able to continue as a going concern. As soon as the Stalking Horse Bid is finalized, Freshstone will be submitting supplemental motion materials seeking the Court’s approval thereof;

Appointment of Monitor

13. Deloitte has consented to act as the monitor of the Applicant, subject to Court approval;

14. Deloitte is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA;

15. Deloitte has extensive experience in matters of this nature and is therefore well-suited to this mandate;

16. In its capacity as Proposed Monitor, Deloitte will be submitting to the Court a “Pre-Filing Report” setting out its observations and recommendations in relation to the relief sought in this Application;

DIP Credit Agreement & DIP Lender’s Charge

17. In order to continue operations and carry out the restructuring steps described herein, including the implementation of the SISP, interim financing is urgently required;

18. Over the course of the past few weeks, GR has been retained to assist the Applicant in seeking new financing options. In total, ten (10) potential parties were contacted. Six (6) parties were not interested in the opportunity and further discussions were held with four (4) parties. Ultimately, two (2) non-binding financing proposals were received (the “**DIP Proposals**”);

19. The DIP Proposals were considered by the Applicant, in consultation with its advisors and by Deloitte, and it was determined that the DIP Proposal submitted by the Garrington was superior for a number of reasons, including cost, amount of available financing and potential speed of execution;

20. Ultimately, the DIP Credit Agreement was executed on June 8, 2026, pursuant to which the DIP Lender has agreed to provide the Authorized DIP Amount to the Applicant in the maximum aggregate principal amount at no time exceeding the lesser of (i) \$7,000,000, and (ii) an amount equal to the Borrowing Base (as defined in the Credit Agreement) then in effect;

21. As a condition of the DIP Credit Agreement and in order to secure the repayment of the DIP Obligations (as defined in the DIP Credit Agreement), the DIP Lender require a Court-ordered priority charge (i.e. the DIP Lender's Charge) on the assets of the Applicant, subordinated only to the Administration Charge;

Administration Charge

22. The Applicant seeks the establishment of a charge on its assets, property and undertakings (the "**Property**") in the initial maximum amount of \$250,000, as part of the Initial Order, to secure the fees and disbursements incurred in connection with services rendered to the Applicant both before and after the commencement of the CCAA Proceedings (the "**Administration Charge**") by, initially, the Proposed Monitor, counsel to the Proposed Monitor and counsel to the Applicant (the "**Restructuring Professionals**");

23. The Restructuring Professionals are key players in the restructuring efforts underway with respect to the Applicant, and their involvement is necessary in order to complete the restructuring process under the CCAA;

24. The Applicant needs and will continue to need the expertise, knowledge, and ongoing participation of the Restructuring Professionals throughout the course of the CCAA Proceedings in order to successfully complete the restructuring;

25. Each of the Restructuring Professionals will have a distinct role to play in the Applicant's restructuring efforts, and there will be no overlap between their respective mandates;

26. The Proposed Monitor has reviewed the quantum of the proposed Administration Charge and believes it is reasonable and appropriate in view of the complexities of the CCAA Proceedings and the services to be provided by the beneficiaries of the Administration Charge;

Directors' Charge

27. Freshstone requests a Court-ordered charge over its Property (the "**Directors' Charge**") in the amount of \$1,750,000, as part of the Initial Order, to properly indemnify its directors and officers (the "**D&Os**") in connection with any claim which may be asserted against them, personally, from and after the commencement of these proceedings, to the extent that such liability is not covered by the directors' and officers' liability insurance;

28. In order to continue to carry on business during the CCAA Proceedings, Freshstone requires the active and committed involvement of its D&Os;

29. Since the continued assistance of the D&Os is required to ensure that the CCAA Proceedings and the SISF are successfully completed, these D&Os require, in turn, that Freshstone indemnify them for all liabilities which they may incur in the context of their positions after the filing of these proceedings;

30. Although Freshstone intends to comply with all applicable laws and regulations, including with respect to the timely remittance of deductions at source and federal and provincial sales taxes, its directors and officers remain nevertheless concerned about their potential personal liability, particularly in the present circumstances;

31. The Proposed Monitor has reviewed the quantum and is supportive of the Directors' Charge;

Other Grounds

32. The provisions of the CCAA, including s. 11 thereof;
33. The Provisions of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
34. Such further and other grounds as counsel may advise and this Honorable Court may permit.
35. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the application:
 - (a) The Affidavit of Frank Burdzy, affirmed June 8, 2026;
 - (b) The consent of Deloitte to act as the monitor;
 - (c) The pre-filing report of Deloitte, to be filed; and
 - (d) Such further and other documentary evidence as counsel may advise and this Court may permit.

June 8, 2026

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

Court File No. .CL-26-00000265-0000

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FRESHSTONE BRANDS INC.**

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

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF APPLICATION
(RETURNABLE JUNE 9, 2026)**

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Lawyers for the Applicant

TAB 2

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 A PLAN OF
FRESHSTONE BRANDS INC.**

(Applicant)

AFFIDAVIT OF FRANK BURDZY

(Sworn June 8, 2026)

I, **FRANK BURDZY**, of the City of Calgary, in the Province of Alberta, Canada, MAKE OATH AND SAY:

1. I am the Chief Executive Officer and a member of the Board of Directors of Freshstone Brands Inc. ("**Freshstone**" or the "**Debtor**"). In this capacity, I am responsible for overseeing the operations of Freshstone, its liquidity management and ultimately, for assisting it in its restructuring process. As such, I have knowledge of the matters to which I hereinafter depose herein, except where otherwise stated. The facts stated in the present affidavit are based on my personal knowledge of Freshstone, my review of its books and records, as well as on information received from other individuals, such as directors, officers and/or employees of Freshstone, which information I believe to be true.
2. All references to currency in this affidavit are references to Canadian dollars, unless otherwise indicated.

II. BACKGROUND

3. This affidavit is sworn in support of an application (the "**Application**") made by the Debtor, for the following orders pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), which will be sought before the Ontario Superior Court of Justice (Commercial List) (the "**Court**"):

At the "First Day Hearing":

- (a) an initial order (the "**Initial Order**"), substantially in the form of the draft order attached to the Application at **Tab 3**¹, which will provide for, *inter alia*, the following initial relief:
- (i) Application of the CCAA. A declaration that Freshstone is a debtor company to which the CCAA applies;
 - (ii) Stay of Proceedings. A stay of all proceedings and remedies taken or that might be taken against or in respect of the Debtor, any of its respective property or director and officers, except as otherwise set forth in the Initial Order or as otherwise permitted by law (the "**Stay**"), for an initial period of ten (10) days in accordance with the CCAA (the "**Stay Period**");
 - (iii) Appointment of a Monitor. The appointment of Deloitte Restructuring Inc. ("**Deloitte**" or the "**Proposed Monitor**") as the monitor of the Debtor in these proceedings (the "**CCAA Proceedings**");
 - (iv) Administration Charge and Directors' Charge. The granting of an Administration Charge (as defined below) in an amount of \$250,000 and a Directors' Charge (as defined below) in an amount of \$1,750,000 to cover the potential exposure of the beneficiaries of such charges during the initial Stay Period; and
 - (v) DIP Financing and DIP Lender's Charge. The approval of a DIP Facility Loan Agreement (the "**DIP Credit Agreement**") entered into between Garrington Financial Services Inc., as lender ("**Garrington**" or the "**DIP Lender**"), and the Debtor, as borrower, and the authorization for the Debtor to borrow under the DIP Credit Agreement an initial amount of up to \$1,600,000 during the initial Stay Period (the "**Authorized DIP Amount**"), which Authorized DIP Amount is to be secured by a priority charge against the assets of the Debtor for the benefit of the DIP Lender (the "**DIP Lender's Charge**"). The DIP Lender's Charge will rank in priority to all other encumbrances, whether conventional or legal,

¹ A redlined version between the model initial order and the draft Initial Order sought by the Debtor is attached to the Application at **Tab 4**.

including over the claims of the federal and provincial governments subject to a deemed trust, but will rank subordinated to the Administration Charge.

At the “Comeback Hearing” to be scheduled with the Court:

- (b) an amended and restated initial order (the “**ARIO**”), which will provide for, *inter alia*, the following additional relief:
 - (i) Stay of Proceedings. An extension of the Stay Period until October 16, 2026;
 - (ii) Administration Charge and Directors’ Charge. An increase of the Administration Charge to a total amount of \$650,000 and of the Directors’ Charge to a total amount of \$2,000,000; and
 - (iii) DIP Financing. An increase of the Authorized DIP Amount to a maximum aggregate principal amount at no time exceeding the lesser of (i) \$7,000,000, and (ii) an amount equal to the Borrowing Base (as defined in the Credit Agreement) then in effect.
 - (c) a sale and investor solicitation process order (the “**SISP Order**”), which will provide for, *inter alia*:
 - (i) Engagement of Sale Advisor. The engagement of GlassRatner Advisory Canada (“**GR**”) to act as sale advisor (in such capacity, the “**Sale Advisor**”) to the Debtor for the sale and investor solicitation process (the “**SISP**”) to be conducted in the context of the CCAA Proceedings; and
 - (ii) Conduct of the SISP in Accordance with the SISP Procedures. The authorization for the Debtor, with the assistance of the Sale Advisor and under the supervision of the Proposed Monitor, to conduct and implement the SISP in accordance with the procedures set out in the annex appended to the draft SISP Order (the “**SISP Procedures**”).
4. In addition to the above, it should be noted that I intend to submit a bid (the “**Stalking Horse Bid**”) which contemplates that either myself or a company to be designated by myself, will act as a “*stalking horse bidder*” in the context of the SISP, so as to establish a floor price for the sale of the Debtor’s assets and, more importantly, ensure that if no superior offer is

submitted in the context of the SISP, the Debtor's operations will still be able to continue as a going concern. As soon as the Stalking Horse Bid is finalized, Freshstone will be submitting supplemental motion materials seeking the Court's approval thereof.

5. I understand that Deloitte, in its capacity as Proposed Monitor, will be submitting to the court in advance of the "*first day hearing*", a pre-filing report setting out its observations and recommendations with respect to the reliefs sought by the Debtor as part of the proposed Initial Order.
6. To the extent that Deloitte is appointed as Monitor as part of the Initial Order, I also understand that Deloitte will also be submitting to the Court, in advance of the "*comeback hearing*", but this time in its capacity as Monitor, a supplemental report setting out its observations and recommendations with respect to the reliefs sought by the Debtor as part of the ARIO and the SISP Order.

III. OVERVIEW

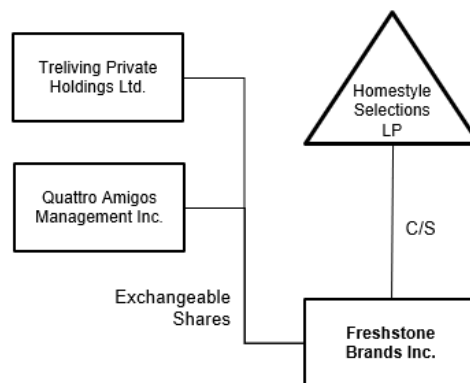
7. Freshstone is a leading Canadian manufacturer of prepared meals with operations strategically located mainly in Ontario, near the U.S. market, and specializing in fresh, high-quality products for retail, foodservice and co-manufacturing channels. Its differential business model is focused on innovation, product breadth and flexibility, making it hard for competitors to replicate.
8. Given the current economic context, Freshstone has faced significant financial challenges in recent months. Persistent inflationary pressures affecting raw material costs, labor expenses, and supply chain logistics have substantially increased the company's cost of operations. At the same time, these inflationary conditions have led to reduced consumer demand, leading to increased price-sensitive purchasing behavior. The combination of rising costs and declining sales volumes has compressed Freshstone's margins and generated material financial difficulties.
9. As will be described further in this affidavit, in an effort to stabilize its operations and address the foregoing financial challenges, Freshstone previously initiated a comprehensive and rigorous market solicitation process, with the assistance of Origin Merchant Partners ("**Origin**"), to assess the potential strategic opportunity of divesting its *Kitchen Partners* division and related business assets ("**Kitchen Partners**").

10. As a result of this market solicitation process, Freshstone successfully completed the sale of Kitchen Partners (the “**Kitchen Partners Transaction**”), the proceeds of which enabled it to satisfy its obligations to its then senior secured creditor, and ultimately effect a material reduction in its total indebtedness.
11. Despite the above, Freshstone has been unable to restore financial stability and is now seeking protection under the CCAA through the commencement of the present CCAA Proceedings in order to complete its restructuring.
12. Ultimately, and subject to the Court’s approval, Freshstone intends, under the supervision of the Court, to:
 - (a) restructure its operations to optimize its cost structure, streamline production processes and enhance overall operational efficiency; and
 - (b) implement the SISF and solicit offers for its remaining assets that were not acquired through the previous market solicitation process, ultimately with a view to continue its operations on a going-concern basis, so as to preserve Canadian jobs and maximize value for its creditors and other stakeholders.

IV. DESCRIPTION OF FRESHSTONE

A. The Corporate Structure

13. As of the date of this affidavit, Freshstone’s complete corporate structure is as shown in the organizational chart attached hereto as **Exhibit “A”**. A simplified chart is shown below:



B. The Debtor

14. Freshstone is a privately owned company formed by amalgamation between Freshstone Brands Inc., Kitchen Partners Limited and 12901927 Canada Ltd. on January 1, 2022 under the *Canada Business Corporations Act* for the purpose of acquiring, owning and operating assets and businesses in the food, ingredients and/or related services industries in the U.S. and Canada. A copy of the *Articles of Amalgamation* is attached hereto as **Exhibit “B”**.
15. As appears from the organizational chart presented in the section above, all issued and outstanding common shares of Freshstone are owned entirely by Homestyle Selections LP. Moreover, Freshstone’s issued and outstanding exchangeable shares are held in equal proportions between Quattro Amigos Management Inc. and Treliving Private Holdings Ltd.

V. FRESHSTONE’S BUSINESS AND OPERATIONS

A. General Overview

16. Freshstone is the result of the business combination of various companies operating in the food sector in Canada. It has grown into a portfolio of facilities and brands which have become leading providers of private-label and branded offerings of ready-to-go meals and meal kits, salads, *entrees*, and sides, to supermarkets, club stores, convenience stores, co-man, and food-service customers in the United States and Canada.
17. Freshstone carries the following operating units/brands:
 - (a) Freshstone Brands. Freshstone Brands serves as the corporate identity and umbrella under which its operating brands function.
 - (b) Tiffany Gate. Tiffany Gate creates, packages and delivers fresh-prepared food products to customers across Canada and the U.S. By combining state-of-the-art technology and food science with artisanal cooking techniques, Tiffany Gate is able to create homemade recipes on a commercial scale. Its product offering includes, *inter alia*, fresh salads, cooked grains, sous vide vegetables, sides, entrées, kits, dressings, dips and home meal replacement solutions. Its customers include some of the largest grocery retail and food service companies in Canada and the United States, which customers are served through two (2) sub-platforms, i.e., Fresh

Gourmet (retail-oriented), and Fresh Food Systems (bulk and customizable products for foodservice customers).

- (c) Johnston's. Johnston's is a legacy brand within Freshstone's portfolio, as it has been operating for over 75 years, mainly in the Maritimes. It manufactures different types of salads, such as coleslaw, potato salads, pasta salads and bean salads. Its branding mainly relies on the preservation of its traditional recipes and the use of quality ingredients acquired through partnerships with local farmers and businesses.
 - (d) Keybrand. Keybrand's activities consist of the production of fresh and refrigerated foods, including various salads and specialty food products. It enables scale manufacturing for retailers and institutional customers.
 - (e) Dip-A-Chip. Dip-A-Chip is a specialty consumer brand focused on snack-adjacent products, such as dips and complimentary snack products. Its products are designed primarily for retail grocery distribution, such as Metro or Giant Tiger.
 - (f) Kingsway. Kingsway is an established prepared-food facility. It manufactures a variety of dips, dressings and specialized functional vitamins used as ingredients in the dairy industry. The Kingsway operation prides itself on its longstanding and dedicated employees who understand its business.
18. Freshstone's operations are managed out of an office and production facility located at 195 Steinway Blvd., Etobicoke, Ontario, where, as will be seen further in this affidavit, most of its employees are located.

B. The Debtor's Leased Facilities

19. As of the date of this affidavit, all properties from which Freshstone conducts its operations are subject to lease agreements. A summary of the leased properties used for Freshstone's operations and their primary purposes is provided below.

LOCATION	PURPOSE
195 Steinway Blvd., Etobicoke, Ontario (the " Steinway Facility ")	Office, processing and manufacturing facility

1801, 1811, 1821 Albion Rd, Etobicoke, Ontario	Storage location
1335 Fewster Dr, Mississauga, Ontario (the “ Mississauga Facility ”)	Processing, manufacturing and packaging facility
1604 Victoria St North, Kitchener, Ontario (the “ Kitchener Distribution Center ”)	Distribution center
1326 Victoria Street North, Kitchener, Ontario (the “ Kitchener Production Center ”, and collectively with the Kitchener Distribution Center, the “ Kitchener Facilities ”)	Processing and manufacturing facility
24 4 St, Charlottetown, Prince-Edward-Island (the “ PEI Facility ”)	Processing and manufacturing facility
500 Valleyview Dr, Delisle, Saskatchewan (the “ Delisle Facility ”)	Inactive processing and manufacturing facility

20. As part of its ongoing cost rationalization initiatives, Freshstone will unfortunately need to cease its operations at the Kitchener Facilities and the PEI Facility. Moreover, Freshstone has already ceased operations at the Delisle Facility.
21. In fact, on June 5, 2026, the landlord of the Kitchener Facilities issued notices of termination of the leases for such locations, and on June 7, 2026, the landlord of the PEI Facility issued a notice of distress due to Freshstone’s failure to pay rent arrears.

C. The Employees

22. As at May 11, 2026, Freshstone had a total of 338 employees on payroll, which total number is composed of 169 employees considered as direct labour and an additional 169² employees working in positions classified as indirect labour, administrative and management, all of whom are located in Canada, as appears from the table below:

² These employees are supplemented, from time to time, by approximately 20-40 temporary agency workers.

LOCATION	DIRECT LABOUR EMPLOYEES	INDIRECT LABOUR EMPLOYEES	TOTAL
PEI Facility	9	10	19
Delisle Facility	1	2	3
Kitchener Production Center	41	22	63
Kitchener Distribution Center	0	12	12
Mississauga Facility	2	4	6
Steinway Facility	116	65	181
Steinway Facility (Corporate)	0	54	54
TOTAL:	169	169	338

23. None of these employees are unionized nor are they subject to a collective bargaining agreement.
24. As of June 1, 2026, Freshstone is current in the payment of the wages of its employees, and vacation accrual liability totals approximately \$654,000. Freshstone intends to remain current in the payment of the wages and vacation accruals of its employees until the closing of any transaction resulting from the SISP or the implementation of a plan of compromise or arrangement.
25. Freshstone's payment of wages and vacations represents a total disbursement of approximately \$815,000, bi-weekly.
26. It should be noted that given the anticipated closure of the Kitchener Facilities and the PEI Facility, Freshstone will unfortunately have to proceed with the termination of its employees at those locations. Freshstone will also terminate the employees at the Delisle Facility, where production has already ceased.

D. Supply Chain

27. In the ordinary course of its business, Freshstone receives most of its inputs, primarily consisting of raw materials and some processed items, from suppliers that are located in:
- (a) Canada: approximately 75%;
 - (b) U.S.: approximately 20%; and
 - (c) Other: approximately 5%.
28. In 2025, Freshstone had 37 significant suppliers which accounted for approximately 48% of its supply needs³.
29. Since Freshstone is in the business of selling fresh foods and given the perishable nature of its inventory, Freshstone generally receives its inventory on a “just-in-time” basis. As such, Freshstone usually has limited supply of inventory on hand which is typically only sufficient to allow the business to continue operating for approximately 7-10 days. In light of this, any interruption to supply, even if short in duration, could have significant deferential impact on Freshstone’s business and it will be very important for Freshstone to be able to continue to rely on the above suppliers going forward.

E. Customers

30. As previously discussed, Freshstone’s customers are mainly comprised of Canadian grocery retail and foodservice companies, with an additional portion of its revenues being attributable to co-packing customers.
31. In 2025, Freshstone’s main sale channels were as follows:
- (a) Retail: approximately 48%;
 - (b) Foodservice: approximately 47%; and

³ It should be noted that the values presented date from prior to the Kitchen Partners Transaction, and therefore include the information related to Kitchen Partners.

(c) Co-packing and Others: approximately 5%.

32. In 2025, Freshstone had 6 significant customers which accounted for approximately 66.3% of its aggregate net revenues for that year⁴.
33. Freshstone's main customers are composed of important figures in the retail and foodservice industry, such as Costco Canada, Tim Hortons, Loblaws, Metro, Subway, Sobeys, Kentucky Fried Chicken, Kroger, Sysco, Super C and Gordon Food Services.

F. Cash Management System

34. In the ordinary course of its business, Freshstone uses a centralized cash management system (the "**Cash Management System**") to, among other things, collect funds and pay expenses associated with its operations. The Cash Management System gives Freshstone the ability to efficiently and accurately track and control corporate funds and ensure cash availability.
35. As at the date hereof, Freshstone maintains eight (8) bank accounts with the Canadian Imperial Bank of Commerce ("**CIBC**"), which are summarily described below:
- (a) A Canadian dollar operating account (#22016915) located in Toronto, Ontario, which consists of an account used for transactions related to the Kitchener Facilities, the Delisle Facility, and the PEI Facility sales and their production, payroll, and all other expenses;
 - (b) A U.S. dollar operating account (#2028011) located in Toronto, Ontario, which consists of an account used for transactions related to the Kitchener Facilities, the Delisle Facility, and the PEI Facility Kitchener Facilities, the Delisle Facility, and the PEI Facility sales and their production, payroll, and all other expenses;

⁴ It should be noted that the values presented date from prior to the Kitchen Partners Transaction, and therefore include the information related to Kitchen Partners.

- (c) A Canadian dollar operating account (#21585819) located in Toronto, Ontario, which consists of an account used for transactions related to the Steinway Facility's sales, production, payroll, and all other expenses;
 - (d) A U.S. dollar operating account (#20362018) located in Toronto, Ontario, which consists of an account used for transactions related to the Steinway Facility's sales, production, payroll and all other expenses;
 - (e) A U.S. dollar operating account (#071006486) located in Chicago, Illinois, which consists of an account used for transactions related to U.S. domiciled sales and payroll; and
 - (f) A Canadian dollar deposit account (#00002/0069310) located in Toronto, Ontario which serves as security for the Continuing Obligations under the Letters of Credit (each as defined below) (the "**Cash Collateral Account**").
36. In addition, following the closing of the Kitchen Partners Transaction, Freshstone has continued to collect certain receivables (the "**Receivables**") and has been remitting them to the purchaser in accordance with the sale agreement executed between the parties. The Receivables are collected in the following two (2) accounts with CIBC, which are summarily described below:
- (a) A Canadian dollar operating account (#21539914) located in Toronto, Ontario; and
 - (b) A U.S. dollar operating account (#20292915) located in Toronto, Ontario.
37. Freshstone also holds ten (10) credit card facilities with American Express (#1005, #1013, #1021, #1039, #1047, #1054, #1062, #1070, #1088 and #1096).
38. Freshstone's payroll is managed by ADP Inc., which issues direct deposits to its employees on the date payroll is paid.
39. As will be further discussed below, as part of the DIP Credit Agreement, Freshstone will also be required to open a new bank account from which disbursements will be required to be paid.

VI. FRESHSTONE'S FINANCIAL SITUATION

A. The Debtor's Financial Statements⁵

40. On August 21, 2025, Freshstone issued its audited annual financial statements for the prior fiscal year (the "**2024 Financial Statements**"), which reflected net comprehensive losses of \$11,816,198.00 as at December 28, 2024. A copy of the 2024 Financial Statements is attached hereto as **Exhibit "C"**.
41. As of the date of this affidavit, Freshstone's audited financial statements for the fiscal year of 2025 have not yet been prepared. However, Freshstone's unaudited annual financial statements for the fiscal year of 2025 (the "**2025 Financial Statements**") reflected net comprehensive losses of \$33,320,048.00 as at December 28, 2025. A copy of the 2025 Financial Statements is attached hereto as **Exhibit "D"**.
42. Also attached, as **Exhibit "E"**, is a copy of an internal unaudited balance sheet for Freshstone, for the period commencing December 28, 2025 and ending May 22, 2026⁶ (the "**2026 Balance Sheet**", and collectively with the 2024 Financial Statements and the 2025 Financial Statements, the "**Financial Statements**").
43. As at the date of this affidavit, Freshstone's financial situation remains challenging.
44. Indeed, as at June 1, 2026, Freshstone's non-capital loss balance totaled \$36,558,756.00, as reflected in the corporation income tax return balances statement ("**Return Balance Statement**"). A copy of the Return Balance Statement is attached hereto as **Exhibit "F"**.

B. The Debtor's Assets⁷

45. As at April 25, 2026, Freshstone's assets had a book value of approximately \$81,798,242.00, as appears from the tables below:

⁵ It should be noted that the Financial Statements (as defined below) include the business of Kitchen Partners. The Kitchen Partners Transaction closed on May 8, 2026.

⁶ It should be noted that the 2026 Balance Sheet still includes the business of Kitchen Partners. The Kitchen Partners Transaction closed on May 8, 2026.

⁷ It should be noted that the assets presented include the business of Kitchen Partners. The Kitchen Partners Transaction closed on May 8, 2026.

Description of Assets	Book Value
Short Term Assets	
Cash	\$478,438
Accounts Receivables	\$10,789,378
Inventory	\$13,080,295
Deposits and Pre-Paid	\$802,699
Intercompany Liabilities	\$709,834
Total Short Term Assets	\$25,860,644
Long Term Assets	
Tangible Fixed Assets	\$31,124,708
Intangible Assets	\$24,152,299
Other Assets and Goodwill	\$660,591
Total Long Term Assets	\$55,937,598

Total Assets: \$81,798,242

46. Following the closing of the Kitchen Partners Transaction, the book value of Freshstone's assets amount, in the aggregate, to approximately \$60,000,000⁸.

C. The Debtor's Liabilities⁹

47. As at April 25, 2026, Freshstone had liabilities totaling \$80,376,951.00, as appears from the

⁸ This amount is subject to further reconciliation, as the balance sheet is in the process of being updated following the Kitchen Partners Transaction.

⁹ It should be noted that the liabilities presented include the business of Kitchen Partners as well as the amounts owed under the Extinguished Credit Agreement (as defined below). The Kitchen Partners Transaction closed on May 8, 2026.

tables below:

Description of Liabilities	Amount
Short Term Liabilities	
Accounts Payables	\$29,160,312
Accrued Liabilities	\$7,889,208
Current Portion of Long Term Debt	\$4,438,659
Other	\$3,347,088
Total Short Term Liabilities	\$44,835,267
Long Term Liabilities	
Long Term Debt	\$35,541,684
Total Long Term Liabilities	\$35,541,684

Total Liabilities: \$80,376,951

48. The long term debt includes the following amounts:

Creditor	Principal Amount Outstanding (in millions)	Interest Rate / New Money Fee	Maturity
Frank Burdzy	\$1.15 million	20% per annum	The earliest of: (a) the date on which a majority of the board of directors of Freshstone agree to indefeasibly prepay the principal amount, together with all accrued and unpaid interest, or the "new money fee", as
	\$2 million	\$2 million	
	\$2 million	25% per annum	

	\$2.75 million	5% per annum	applicable, in full; and (b) December 31, 2027.
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49. Following the closing of the Kitchen Partners Transaction, the book value of Freshstone's liabilities, in the aggregate, to approximately \$50,000,000¹⁰.
50. The liabilities listed in the above table are further described in the following sections.

D. The Extinguished Credit Agreement

51. On January 26, 2024, a *Third Amended and Restated Credit Agreement* was executed between Freshstone, as borrower, CIBC, as agent (in such capacity, the "**Agent**"), lead arranger and sole bookrunner, and CIBC, as lender (in such capacity, the "**Lender**") (as subsequently amended and supplemented from time to time, the "**Extinguished Credit Agreement**").
52. Pursuant to the Extinguished Credit Agreement, the Lender, *inter alia*, made available to Freshstone a revolving facility in an amount not to exceed \$5,000,000 (and/or the \$ U.S. equivalent thereof), and continued to make available to the Debtor a term facility in the amount of \$40,304,210 (as of January 26, 2024).
53. As security for its obligations under the Extinguished Credit Agreement, Freshstone granted a first-ranking security interest in all of its present and after-acquired personal property to and in favour of the Agent, for the benefit of itself and of the Lender (the "**Borrower Syndicated Security**").
54. In light of its financial challenges, Freshstone concluded the Kitchen Partners Transaction on May 8, 2026 following a rigorous solicitation process (i.e. the Kitchen Partners Solicitation Process (as defined below)), which generated proceeds sufficient to fully repay its obligations under the Extinguished Credit Agreement (the "**Payout**"), but for the

¹⁰ This amount is subject to further reconciliation, as the balance sheet is in the process of being updated following the Kitchen Partners Transaction.

Continuing Obligations (as defined below).

55. Pursuant to the Payout, the Extinguished Credit Agreement, the Borrower Syndicated Security and all guarantees, security documents and other loan documents entered into in connection with the Extinguished Credit Agreement were irrevocably terminated and the obligations of the Debtor (other than the Continuing Obligations) were released and discharged.

E. The Letters of Credit

56. At the request of Freshstone, CIBC also issued: (i) a letter of credit in favour of Food Processors Affiliation Canada Inc., as beneficiary, in the amount of \$65,000, on September 8, 2021, and (ii) a letter of credit in favour of Granite Property Nominee Inc., as beneficiary, in the amount of \$445,978.02 on May 26, 2022 (collectively, the "**Letters of Credit**"). Copies of the Letters of Credit are attached hereto, respectively, as **Exhibit "G"** and **Exhibit "H"**.
57. Freshstone's obligations in respect of the Letters of Credit (the "**Continuing Obligations**") are secured by a certain *Cash Collateral Security Agreement* made as of May 8, 2026 and entered into between the Debtor and CIBC (the "**Cash Collateral Security Agreement**"). A copy of the Cash Collateral Security Agreement is attached hereto as **Exhibit "I"**.
58. Pursuant to the Cash Collateral Security Agreement, Freshstone granted to and in favour of CIBC a first-ranking security interest in all amounts due and accruing standing to the credit of the Debtor or CIBC or otherwise held in the Cash Collateral Account, with respect to cash collateral deposited and held in such account from time to time (which, as of May 8, 2026, was in the amount of C\$510,978.02) (the "**Cash Collateral**").

F. The Promissory Notes

59. Over the course of the past year, due to Freshstone's financial challenges described above, Freshstone sought additional financing from various parties, including existing stakeholders (other than myself) but was unable to secure such additional financing. Accordingly, in order to protect the business and maintain operations, I agreed to provide Freshstone with additional secured financing from time to time.
60. On July 10, 2025, I advanced to Freshstone a loan in the initial principal amount of \$1.15

million, with an interest rate of twenty percent (20%) per annum, as reflected in a first promissory note initially dated July 10, 2025, which was subsequently amended and restated on October 28, 2025 and further amended and restated on May 8, 2026 (as amended and restated, the “**First Promissory Note**”). A copy of the First Promissory Note is attached hereto as **Exhibit “J”**.

61. On October 28, 2025, I advanced to Freshstone an additional loan in the principal amount of \$2 million, with a “*new money fee*” in the total amount of \$2 million fully, fully earned as of January 1, 2026, as reflected in a second promissory note initially dated October 28, 2025, which was subsequently amended and restated on May 8, 2026 (as amended and restated, the “**Second Promissory Note**”). A copy of the Second Promissory Note is attached hereto as **Exhibit “K”**.
62. On May 8, 2026, I also advanced to Freshstone an additional loan in the initial principal amount of \$2 million, with an interest rate of twenty-five percent (25%) per annum, as reflected in a third promissory note dated May 8, 2025 (the “**Third Promissory Note**”). A copy of the Third Promissory Note is attached hereto as **Exhibit “L”**.
63. The amounts owing pursuant to the First Promissory Note and the Second Promissory Note were initially secured pursuant to a *General Security Agreement* dated October 28, 2025 (the “**Original GSA**”). A copy of the Original GSA is attached hereto as **Exhibit “M”**.
64. On May 8, 2026, the Original GSA was amended and restated (the “**Amended and Restated GSA**”) so as to secure all of the amounts owing pursuant to First Promissory Note, the Second Promissory Note and the Third Promissory Note. A copy of the Amended and Restated GSA is attached hereto as **Exhibit “N”**.
65. The Amended and Restated GSA provided that all obligations under the First Promissory Note, the Second Promissory note and the Third Promissory Note were secured against all present and after-acquired personal property owned, leased, licensed, possessed or acquired by Freshstone, or in which Freshstone has rights, except for the Excluded Assets (as such term is defined therein) (collectively, the “**Collateral**”).
66. Finally, on June 4, 2026, given Freshstone’s challenging financial situation and immediate liquidity needs, I agreed to advance to Freshstone an additional amount of \$2,750,000, with an interest rate of five percent (5%) per annum, pursuant to a fourth promissory note (the

“**Fourth Promissory Note**”, together with the First Promissory Note, the Second Promissory Note and the Third Promissory Note, the “**Promissory Notes**”). A copy of the Fourth Promissory Note is attached hereto as **Exhibit “O”**.

67. Each of the Promissory Notes provide that the loans made available thereunder will mature at the earliest of¹¹:

(a) the date on which a majority of the board of directors of Freshstone agree to indefeasibly prepay the Principal Amount (as such term is defined in the respective Promissory Notes), together with, as applicable, all accrued and unpaid interest or the “*new money fee*”, in full; or

(b) December 31, 2027.

68. On June 4, 2026, the First Promissory Note, the Second Promissory Note, the Third Promissory Note and the Amended and Restated GSA was amended pursuant to an Omnibus Amending Agreement (the “**Omnibus Amending Agreement**”). A copy of the Omnibus Amending Agreement is attached hereto as **Exhibit “P”**.

69. The Amended and Restated GSA, as amended by the Omnibus Amending Agreement, provides that all obligations under the Promissory Notes are secured against the Collateral.

70. As of June 5, 2026, the total amounts due under the Promissory Notes amount to \$10,149,133.47.

G. Freshstone’s Unsecured Debt

i. Debt Owed to Suppliers and Other Unsecured Creditors

71. Over the course of the past few months, certain suppliers have imposed additional financial constraints on Freshstone in connection with the delivery of goods and materials. These constraints include, among other things, the refusal to extend customary payment terms,

¹¹ It should be noted that pursuant to the Amended and Restated GSA, in the event that Debtor files for protection under the CCAA (or any similar legislation), I am entitled to declare all or any part of the Obligations (as defined in the Amended and Restated GSA), whether or not by their terms payable on demand, immediately due and payable, by issuing a demand notice to the Debtor.

and instead requiring either “payment upon delivery”, pre-payment for merchandise or substantial reductions in outstanding amounts owing by Freshstone to such suppliers prior to any delivery.

72. In addition, some suppliers have threatened or already filed lawsuits against the Debtor in relation to these unpaid debts.
73. As of May 26, 2026, Debtor owed its suppliers and other unsecured creditors approximately \$29,690,290.00.

VII. THE DEBTOR’S PRE-FILING COST REDUCTION INITIATIVES AND LIQUIDITY ENHANCEMENT MEASURES

74. Over the course of the past few months, the Debtor implemented a series of cost-cutting measures and liquidity-enhancing initiatives in an effort to stabilize its operations. These measures are described below.

A. Comprehensive Market Solicitation Process, Sale of *Kitchen Partners* and Repayment of the Extinguished Credit Facility

75. As previously discussed, over the course of the past few months, with the assistance of an investment banking firm, Origin, Freshstone engaged in an extensive and lengthy process to identify and solicit potential buyers for Kitchen Partners, in order to pursue its operations on a going concern and preserve its employees’ jobs amid its financial difficulties (the “**Kitchen Partners Solicitation Process**”).
76. In the context of these efforts, Freshstone, with the assistance of Origin, proceeded with the following rigorous steps:
- (a) prepared and sent a “*teaser*” and a non-disclosure agreement (“**NDA**”) to a list of 173 parties (62 strategic, 111 sponsors) which reflected a wide cross section of the market for potential bidders, and who could therefore potentially be interested in a transaction involving Kitchen Partners;
 - (g) circulated to 68 potential bidders having executed an NDA a Confidential Information Memorandum providing such potential bidders with various information regarding the

Debtor and Kitchen Partners, which potential bidders were also granted access to a confidential virtual data room set up by Origin to perform their due diligence;

- (h) held diligence calls, discussions and management presentations with these potential bidders; and
 - (i) received seven (7) non-binding letters of intent.
77. Following the thorough market canvassing described above, the Debtor completed a sale transaction of Kitchen Partners on May 8, 2026. It should be noted that while the Kitchen Partners Transaction closed, Freshstone agreed to provide certain transitional services to the purchaser of Kitchen Partners and intends to continue to provide same.
78. Ultimately, the proceeds of the Kitchen Partners Transaction generated sufficient liquidity allowing Freshstone to repay fully repay its obligations under the Extinguished Credit Agreement, thereby enhancing the Debtor's liquidity position.

B. Additional Financing

79. Following the closing of the Kitchen Partners Transaction, additional financing was required by Freshstone in order to satisfy its immediate liquidity needs
80. In this context, I agreed to extend the maturity dates of the First Promissory Note and the Second Promissory Note and provide additional financing pursuant to the Third Promissory Note and, most recently, the Fourth Promissory Note.
81. Despite such additional advances, Freshstone's financial situation remains dire, and it is today unable to meet its obligations as and when they become due.

C. Termination of Operations at the Kitchener Facilities, the PEI Facility and Delisle Facility

82. As mentioned previously, Freshstone will unfortunately have to cease its operations at the Kitchener Facilities and the PEI Facility, and has ceased operations at the Delisle Facility. In fact, as previously mentioned, on June 5, 2026, the landlord of the Kitchener Facilities issued notices of termination of the leases for such locations and on June 7, 2026 the landlord of the PEI Facility has issued a notice of distress due to Freshstone's failure to pay

rent arrears.

83. As a result of the above, Freshstone will also unfortunately need to review the headcount at these facilities, and ultimately terminate the employees currently employed at such locations.

D. Negotiation of New Contracts

84. In parallel with the above, and with the objective of ensuring the pursuit of its operations in the long term, Freshstone has also been working with its clients in order to maximize its revenues. In this regard, Freshstone has recently secured a substantial purchase order from Costco USA (the "**Costco Purchase Order**") which will allow it to generate substantial additional revenues.
85. This being said, in order to fulfill such order, Freshstone requires significant access to liquidity for the purchase of its inputs, which it intends to finance with the Authorized DIP Amount.

E. Retention of Deloitte

86. Deloitte was originally engaged as financial advisor to Freshstone pursuant to an engagement letter between Deloitte and the Applicant executed June 23, 2025 (the "**Deloitte Engagement Letter**") and has been active in providing assistance and advice to Freshstone from that time.
87. Deloitte's role as financial advisor was to provide financial, strategic and restructuring advice. Recently the Deloitte Engagement Letter was amended to provide for Deloitte assisting Freshstone in the consideration of potential strategic alternatives.
88. In this context, Deloitte has familiarized itself with Freshstone's business and has acquired substantial comprehension of its financial and operational challenges.

VIII. FRESHSTONE'S NEED FOR CCAA PROTECTION

89. As previously discussed, over the course of the past few months, Freshstone has been actively engaged in discussions with its advisors regarding potential strategic alternatives relating to a restructuring of its operations and obligations, while in parallel evaluating other

opportunities or alternatives that would have enabled it to improve its liquidity and strengthen its financial position.

90. Ultimately, after careful review of all available alternatives, Freshstone has recently determined that it was in its best interest and that of its stakeholders to seek this Court's protection under the CCAA.
91. Freshstone is a "*debtor company*" to which the CCAA applies, as:
 - (a) Freshstone is facing a liquidity crisis which prevents it from meeting its obligations as and when they become due, and, as a result, Freshstone is insolvent; and
 - (b) the aggregate amount of Freshstone's outstanding indebtedness, on a consolidated basis, is greater than the \$5,000,000 threshold set out in the CCAA.
92. Ultimately, the present CCAA Proceedings are commenced with a view to stabilize, restructure and preserve Freshstone's business operations and initiate, with the assistance of GR as Sale Advisor, and under the supervision of this Court and of the Proposed Monitor, a SISF designed to broadly canvass the market, and solicit offers from potentially interested parties that will allow Freshstone to maximize value for the benefit of its creditors and other stakeholders and ensure the continuation of its operations as a going concern.
93. Should protection to Freshstone be granted by the Court in accordance with the terms of the proposed Initial Order, Freshstone will also take this opportunity to further restructure its business from an operational standpoint and implement additional cost-cutting measures, which may be achieved by, *inter alia*, further reducing operating costs through the disclaimer of non-profitable contracts or leases, employee termination and other corporate restructuring. As stated earlier in this affidavit, Freshstone intends to close the Kitchener Facilities and the PEI Facility and has already ceased production at the Delisle Facility. Certain equipment located at those facilities will be moved to other locations for use in the Debtor's ongoing operations. Freshstone, with the assistance of Deloitte, is in the process of seeking proposals for the realization of the other assets at facilities to be closed, by auction, liquidation or otherwise.
94. I believe that, as things currently stand, the stay of proceedings and the structure and oversight provided by the CCAA process, is necessary to implement such short-term

restructuring measures and to provide the stability needed to continue operations.

IX. THE RELIEF SOUGHT AS PART OF THE INITIAL ORDER AND/OR THE ARIO

A. The Stay of Proceedings

95. Unless a Stay is ordered, I am significantly concerned that certain suppliers, creditors, co-contracting parties and other stakeholders may take actions that will jeopardize ongoing operations and the restructuring efforts, including by jeopardizing the conduct of the SISP.
96. A stay of proceedings under the CCAA will allow Freshstone to maintain operations while conducting the SISP for the benefit of all stakeholders.
97. As set out in the cash flow projections (the “**Cash Flow Statement**”) that were prepared by Freshstone in consultation with Deloitte for the period from June 12, 2026 to October 16, 2026, a copy of which will be appended to Deloitte’s pre-filing report, Freshstone expects that, subject to the approval of the DIP Credit Agreement, it will have sufficient cash to fund its projected operating and restructuring costs during such period. For ease of reference, a copy of the Cash Flow Statement is also attached hereto as **Exhibit “Q”**.
98. Accordingly, Freshstone requests a stay of proceedings for an initial period of ten (10) days (i.e. the Stay Period) so as to preserve the *status quo* and prevent creditors and others from taking any steps to try and better their positions in comparison to other creditors. In general, the Debtor’s stakeholders, including creditors, will benefit from a stay of proceedings.
99. At the “*comeback hearing*” the Debtor intends to seek, *inter alia*, the SISP Order and to extend the Stay Period until October 16, 2026, in order to pursue its restructuring efforts and implement the SISP Procedures, to the extent that the SISP Order is granted.

B. The Appointment of Deloitte as Monitor

100. Deloitte has consented to act as the Court-appointed monitor of the Debtor, subject to Court approval. A copy of Deloitte’s formal consent to act is attached hereto as **Exhibit “R”**.
101. Deloitte is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

102. I understand that Deloitte has extensive experience in matters of this nature and is therefore well-suited for this mandate.
103. I am advised by Deloitte that, in its capacity as Proposed Monitor, it is supportive of the relief being sought by Freshstone in its Application.
104. As mentioned, I understand that Deloitte will be filing a pre-filing report to set out its views and recommendations in connection with the reliefs sought by Freshstone as part of the Initial Order. If the Initial Order is granted and Deloitte is appointed as Monitor in these CCAA Proceedings, I understand that Deloitte will be filing a supplemental report setting out its observations and recommendations in connection with the reliefs sought by Freshstone as part of the ARIO and SISP Order.

C. The Administration Charge

105. The Restructuring Professionals (as defined below) are key players in the restructuring efforts underway with respect to the Debtor, and their involvement is necessary in order to complete the restructuring process under the CCAA.
106. The Debtor needs and will continue to need the expertise, knowledge, and ongoing participation of the Restructuring Professionals throughout the course of the CCAA Proceedings in order to successfully complete the restructuring.
107. Each of the Restructuring Professionals will have a distinct role to play in the Debtor's restructuring efforts, and there will be no overlap between their respective mandates.
108. The Restructuring Professionals have informed the Debtor that they are willing to provide or continue to provide their professional services during the restructuring only if they are granted a super-priority charge that takes precedence over existing security, liens or charges, any deemed trust in favour of the Crown, and any charge ordered by this Court in the CCAA Proceedings.
109. In light of the foregoing, the Freshstone seeks the establishment of a charge on its assets, property and undertakings (the "**Property**") in the initial maximum amount of \$250,000, as part of the Initial Order, to secure the fees and disbursements incurred in connection with services rendered to the Debtor both before and after the commencement of the CCAA

Proceedings (the “**Administration Charge**”) by, initially, the Proposed Monitor, counsel to the Proposed Monitor and counsel to the Debtor (the “**Restructuring Professionals**”).

110. If the Initial Order is granted, Freshstone will then seek, at the “*comeback hearing*”, to increase the Administration Charge to a total amount of \$650,000, as part of the ARIO and will seek to have the Administration Charge also secure the fees of GR as Sale Advisor, if its engagement is approved by the Court.
111. I understand that the Proposed Monitor has reviewed the quantum of the proposed Administration Charge and believes it is reasonable and appropriate in view of the complexities of the CCAA Proceedings and the services to be provided by the beneficiaries of the Administration Charge.

D. The Directors’ Charge

112. In order to continue to carry on business during the CCAA Proceedings, Freshstone requires the active and committed involvement of its director and officers (the “**D&Os**”).
113. Since the continued assistance of the D&Os is required to ensure that the CCAA Proceedings and the SISP are successfully completed, these D&Os require, in turn, that Freshstone indemnify them for all liabilities which they may incur in the context of their positions after the filing of these proceedings.
114. Although Freshstone intends to comply with all applicable laws and regulations, including with respect to the timely remittance of deductions at source and federal and provincial sales taxes, its directors and officers remain nevertheless concerned about their potential personal liability, particularly in the present circumstances.
115. While Freshstone maintains directors’ and officers’ liability insurance (the “**D&O Insurance**”), the current level of coverage provided by this D&O Insurance may ultimately prove insufficient to adequately protect the D&Os against any potential liability.
116. The D&Os are not willing to continue in those roles if the Directors’ Charge is not granted. If the D&Os resign, alternate governance arrangements would need to be put in place which would, in all likelihood, render the CCAA Proceedings and the SISP much more challenging, and more costly, to the detriment of Freshstone’s creditors and other stakeholders.

117. Freshstone therefore requests a Court-ordered charge over its Property (the “**Directors’ Charge**”) in the amount of \$1,750,000, as part of the Initial Order, to properly indemnify its D&Os in connection with any claim which may be asserted against them, personally, from and after the commencement of these proceedings, to the extent that such liability is not covered by the D&O Insurance.
118. If the Initial Order is granted, Freshstone will then seek to increase the Directors’ Charge to a total amount of \$2,000,000, as part of the ARIO.
119. I understand that the Proposed Monitor has reviewed the quantum of the proposed Directors’ Charge and is supportive of same.

E. The DIP Credit Agreement and the DIP Lender’s Charge

120. As shown by the Cash Flow Statement (Exhibit “Q”), in order to continue operations and carry out the restructuring steps described herein, including the implementation of the SISP Procedures, interim financing is urgently required, even when taking into consideration the amounts recently advanced pursuant to the Fourth Promissory Note.
121. Over the course of the past few weeks, GR has been retained to assist the Debtor in seeking new financing options. In total, ten (10) potential parties were contacted. Six (6) parties were not interested in the opportunity and further discussions were held with four (4) parties. Ultimately, two (2) non-binding financing proposals were received (the “**DIP Proposals**”).
122. The DIP Proposals were considered by Freshstone, in consultation with its advisors and by Deloitte, and it was determined that the DIP Proposal submitted by the Garrington was superior for a number of reasons, including cost, amount of available financing and potential speed of execution.
123. Following due diligence and negotiation of definitive terms, the DIP Credit Agreement was executed on June 8, 2026. A copy of the DIP Credit Agreement is attached hereto as **Exhibit “S”**.
124. The DIP Credit Agreement provides for the following material terms and conditions:

- (a) DIP Facility: A maximum aggregate principal amount at no time exceeding the lesser of (i) \$7,000,000, and (ii) an amount equal to the Borrowing Base (as defined in the Credit Agreement) then in effect;
- (b) Interest Rate: Prime Rate + 10.55%;
- (c) Closing Fees: \$70,000;
- (d) Collateral Monitoring Fee: \$5,000 monthly;
- (e) DIP Lender's Fees and Expenses: All reasonable costs and expenses of the DIP Lender (including all reasonable fees, expenses and disbursements of outside counsel) in connection with the DIP Credit Agreement;
- (f) Security: Super-priority charge against all present and after-acquired assets, property and undertakings, subordinated only to the Administration Charge;
- (g) Permitted Purposes: To fund the fees and expenses incurred in connection with the transaction and to fund ongoing capital purposes;
- (h) Maturity Date: At earliest of (i) the termination of the CCAA Proceedings, or (ii) November 30, 2026; and
- (i) Material Conditions: Issuance of the Initial Order.

125. As a condition of the DIP Credit Agreement and in order to secure the repayment of the DIP Obligations (as defined in the DIP Credit Agreement), the DIP Lender require a Court-ordered priority charge (i.e. the DIP Lender's Charge) on the assets of the Debtor, subordinated only to the Administration Charge.

126. As the creditor with first-ranking security interests in the Property of the Debtor in my capacity as Holder, I have no objection to the granting of the DIP Lender's Charge.

127. In my capacity as Chief Executive Officer, I believe that there will be no material prejudice to any of Freshstone's existing creditors in approving the DIP Credit Agreement and the proposed DIP Lender's Charge. Accordingly, the Debtor seeks an order authorizing and empowering the Debtor to enter into the DIP Credit Agreement and grant the DIP Lender's

Charge.

- 128. The DIP Credit Agreement is the only viable financing solution currently available to maintain the Debtor’s operations and enable it to restructure. The terms of the DIP Credit Agreement are fair, reasonable, and appropriate, and take into account the interests of all of the Debtor’s creditors and other stakeholders.
- 129. It has been agreed with GR that if the Initial Order is granted and the DIP Credit Agreement is approved by this Court, GR will earn a success fee of \$300,000 (the “**Financing Fee**”) in consideration for its services in identifying potential *debtor-in-possession* financing for Freshstone.
- 130. The Debtor understands that the Proposed Monitor supports this Court’s approval of the DIP Credit Agreement and the establishment of the DIP Lender’s Charge in accordance with the terms set forth in the Initial Order.

X. THE RELIEF SOUGHT AS PART OF THE SISP ORDER

A. The Approval of the SISP and of the SISP Procedures¹²

- 131. Subject to the issuance by this Court of the Initial Order and the ARIO, the Debtor, in consultation with the Proposed Monitor, intends to conduct and implement a SISP in accordance with terms and conditions set out in SISP Procedures appended to the draft SISP Order.
- 132. The SISP Procedures will provide for the accomplishment of the following milestones within the timelines set out below, subject to any extensions made in accordance with the terms of the SISP Procedures¹³:

EVENT
PHASE 1

¹³ Capitalized terms used but not defined herein have the meaning ascribed thereto in the SISP Procedures.

EVENT
<p><u>Solicitation Materials</u></p> <p>Distribution of a Teaser Letter to Prospective Bidders</p>
<p><u>VDR and Confidential Information and Management Presentations</u></p> <p>Preparation and granting access to, to parties having executed the Confidentiality Agreement (Prospective Bidders), the Data Room and other confidential information and management presentations</p>
<p><u>Qualified Phase I Bidders & LOI Deadline (By no later than August 14, 2026, at 5:00 p.m. (Toronto time))</u></p> <p>LOI Deadline (for delivery of non-binding LOIs by Qualified Phase I Bidders in accordance with the SISP Procedures)</p>
<p><u>Determination of Qualified Phase I Bidders</u></p> <p>Notification of each Qualified Phase I Bidder in writing as to whether its bid constituted a Suitable LOI</p>
<p>PHASE 2 (if Suitable LOIs are received, which warrants to the continuation of the SISP onto Phase 2)</p>
<p><u>Bid Deadline (By no later than September 29, 2026, at 5:00 p.m. (Toronto time))</u></p> <p>Bid Deadline (for delivery of binding offers by Qualified Phase I Bidders in accordance with the SISP Procedures)</p>
<p><u>Auction(s) (if required)</u></p>
<p><u>Selection of final Successful Bid(s)</u></p> <p>Deadline for selection of final Successful Bid(s)</p>
<p><u>Definitive Documentation</u></p> <p>Completion of definitive documentation in respect of Successful Bid(s)</p>
<p><u>Approval Motion – Successful Bid(s)</u></p> <p>Filing of Approval Motion in respect of Successful Bid(s)</p>
<p><u>Closing – Successful Bid(s) (By October 16, 2026)</u></p> <p>Anticipated deadline for closing of Successful Bid(s)</p>

133. The SISP, the SISP Procedures and the milestones described therein are the result of discussions between the Debtor and the Proposed Monitor.
134. The conduct of the SISP in accordance with the SISP Procedures will provide for a fair, efficient and transparent process that will allow a proper and broad canvassing of the market, which, in turn, will allow for the exploration of all available options for the Debtor in order to maximize the value of the Debtor's assets and the pursuit of its business operations as a going concern, all for the benefit of its creditors and other stakeholders.
135. Given the nature of Freshstone's business and assets and the current context faced by Freshstone, including its limited liquidities, the proposed SISP, SISP Procedures and milestones described therein are reasonable under the circumstances and should therefore be approved by this Court as part of the proposed SISP Order.
136. As previously discussed, I intend to submit a Stalking Horse Bid which contemplates that either myself or a company to be designated by myself, will act as a "*stalking horse bidder*" in the context of the SISP, so as to establish a floor price for the sale of the Debtor's assets and, more importantly, ensure that if no superior offer is submitted in the context of the SISP, the Debtor's operations will still be able to continue as a going concern. As soon as the Stalking Horse Bid is finalized, Freshstone will be submitting supplemental motion materials seeking the Court's approval thereof.
137. I understand that if Deloitte is appointed as Monitor as part of the Initial Order, it will be submitting a supplemental report in advance of the "*comeback hearing*" to provide its observations and recommendations in relation to the proposed SISP, SISP Order and the Stalking Horse Bid (if finalized by then).

B. The Engagement of a Sale Advisor

138. The SISP Order contemplate the engagement of GR as Sale Advisor to assist Freshstone in the implementation and execution of the SISP in accordance with the SISP Procedures.
139. GR has agreed to act as Sale Advisor pursuant to the terms of an engagement letter dated May 26, 2026 (the "**Sale Advisor Engagement Letter**"), a copy of which is attached hereto as **Exhibit "T"**.


140. The Sale Advisor Engagement Letter provides for a success fee (the “**Success Fee**”), payable on successful completion of a Transaction (as defined in the Sale Advisor Engagement Letter) as follows:
- (a) If only the first phase of the SISF is required, the Success Fee shall be \$175,000; and
 - (b) If the second phase of the SISF is also required, an additional \$75,000 shall be payable, thereby increasing the Success Fee to a total amount of \$250,000.
141. The Sale Advisor Engagement Letter also provides for the reimbursement of all reasonable out-of-pocket expenses relating to the engagement. However, no work fee or other fees are payable under the Sale Advisor Engagement Letter.
142. All obligations of Freshstone under the Sale Advisor Engagement Letter are to be secured by the Administration Charge (as proposed to be increased as part of the ARIO), on a *pari passu* basis with the other beneficiaries of such charge.
143. I am of the view that the engagement of GR as Sale Advisor will be beneficial to the SISF and, consequently, to Freshstone and to its stakeholders generally, and that the Success Fee is reasonable in the circumstances.
144. I understand that if Deloitte is appointed as Monitor as part of the Initial Order, it will be submitting a supplemental report in advance of the “*comeback hearing*” to provide its observations and recommendations in relation to the engagement of the Sale Advisor.

XI. CONCLUSIONS

145. In light of the foregoing, I believe that the reliefs sought by Freshstone as part of the Application are necessary and reasonable in the circumstances.

I confirm that while connected via video conference technology, the affiant showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I also confirm that I have reviewed each page of this affidavit with the affiant and verify that the pages are identical.

Sworn before me by video conference from the City of Etobicoke, in the Province of Ontario, to the City of Toronto, in the Province of Ontario, on June 8, 2026.

Signed by:

B773A6D4EE3744B

Commissioner for Taking Affidavits

Chloe Duggal | LSO # 88142K

DocuSigned by:

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FRANK BURDZY

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

Court File No. .CL-26-00000265-0000

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FRESHSTONE BRANDS INC.**

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

PROCEEDING COMMENCED AT TORONTO

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Lawyers for the Applicant

EXHIBIT "A"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

0773A8D4FF3744B

Commissioner for Taking Affidavits

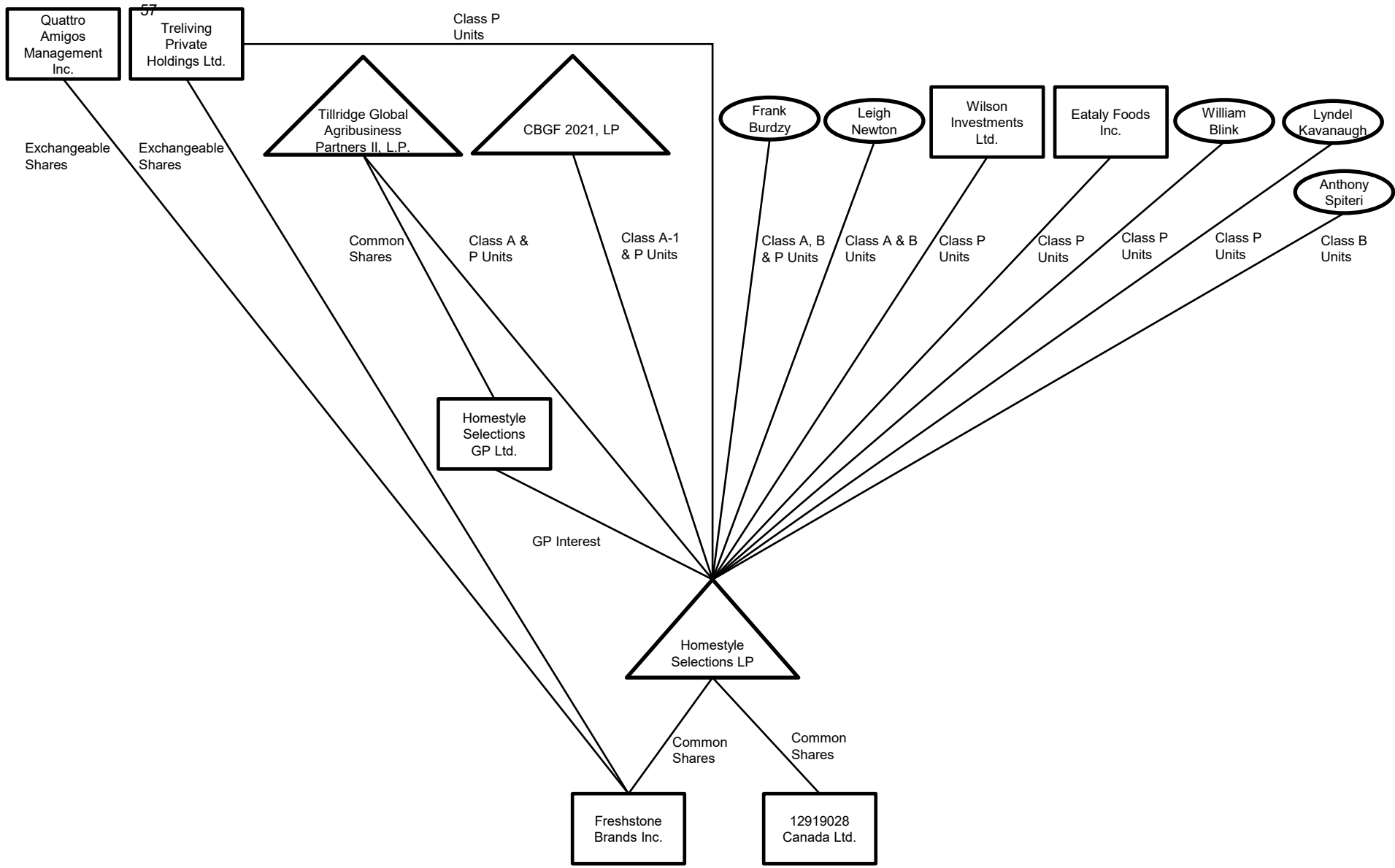


EXHIBIT "B"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

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Commissioner for Taking Affidavits



**Canada Business Corporations Act (CBCA)
FORM 9
ARTICLES OF AMALGAMATION
(Section 185)**

1 - Corporate name of the amalgamated corporation

Freshstone Brands Inc.

2 - The province or territory in Canada where the registered office is situated (do not indicate the full address)

Alberta

3 - The classes and any maximum number of shares that the corporation is authorized to issue

See attached schedule.

4 - Restrictions, if any, on share transfers

Shares of the Corporation may not be transferred unless the restrictions on the transfer of securities of the Corporation contained in section 7 of these Articles (entitled "Other Provisions") are complied with.

5 - Minimum and Maximum number of directors (for a fixed number of directors, please indicate the same number in both boxes)

Minimum number

1

Maximum number

9

6 - Restrictions, if any, on the business the corporation may carry on

There shall be no restrictions on the business that the Corporation may carry on.

7 - Other provisions, if any

1. The number of holders of securities of the Corporation, other than non-convertible debt securities, not including employees and former employees of the Corporation or its affiliates, is limited to not more than fifty (50) persons, provided that each person is counted as one beneficial owner unless the person is created or used solely to purchase or hold securities of the Corporation, in which case each beneficial owner or each beneficiary of the person, as the case may be, must be counted as a separate beneficial owner.
2. Any invitation to the public to subscribe for the Corporation's securities is prohibited.
3. Securities of the Corporation, other than non-convertible debt securities, may not be transferred unless:
 - (a) the consent of the directors of the Corporation is obtained; or
 - (b) the consent of the directors for the purposes of this section is evidenced by a resolution of the directors or by an instrument or instruments in writing signed by all of the directors.

4. Without limiting the borrowing powers of the Corporation as set forth in the *Canada Business Corporations Act*, the directors of the Corporation may from time to time, without authorization of the shareholders,
- borrow money on the credit of the Corporation;
 - issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantees of the Corporation, whether secured or unsecured;
 - subject to the *Canada Business Corporations Act*, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
 - mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.
- Nothing in this clause limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.
5. Subject to the *Canada Business Corporations Act*, the directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of the additional directors shall not at any time exceed one third of the number of directors who held office at the expiration of the last annual meeting of the Corporation.
6. Meetings of shareholders of the Corporation may be held inside or outside Canada and may be held at such other place outside Canada as may be agreed to by all of the shareholders of the Corporation entitled to vote at the meeting.

8 – The amalgamation has been approved pursuant to that section or subsection of the Act which is indicated as follows:

<input type="checkbox"/>	183 - Long form: approved by special resolution of shareholders	<input checked="" type="checkbox"/>	184(1) - Vertical short-form: approved by resolution of directors	<input type="checkbox"/>	184(2) - Horizontal short-form: approved by resolution of directors
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9 – Declaration

I hereby certify that I am a director or an authorized officer of the following corporation:

Name of the amalgamating corporation	Corporation number			Signature
Freshstone Brands Inc.	1199915	0		<i>J. M. B.</i>
Kitchen Partners Limited	1363211	3		<i>J. M. B.</i>
12901927 Canada Ltd.	1290192	7		<i>J. M. B.</i>

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

PART 1: COMMON SHARES

The rights, privileges, restrictions and conditions of the Common Shares are as set out below.

(1) Voting Rights

- (a) Each holder of Common Shares is entitled to receive notice of and to attend all meetings of shareholders of the Corporation and to vote at such meetings, except meetings at which only holders of a specified class of shares (other than Common Shares) or specified series of shares (other than Common Shares) are entitled to vote.
- (b) At all meetings of which notice must be given to the holders of the Common Shares, each holder of Common Shares is entitled to one vote in respect of each Common Share held by such holder.

(2) Dividends

The holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of the Corporation, to receive dividends if, as and when declared by the Board of Directors.

(3) Liquidation, Dissolution or Winding-up

The holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of the Corporation, to receive the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

PART 2: EXCHANGEABLE SHARES

The rights, privileges, restrictions and conditions of the Exchangeable Shares are as set out below.

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

For purposes of these Exchangeable Share provisions:

- (a) "**Affiliate**" means, when used with respect to a specified Person, another Person that, either directly or indirectly through one or more intermediaries, Controls, is controlled by or is under common control with the Person specified;
- (b) "**Agreement to be Bound**" means a duly executed and properly completed agreement to be bound by the Partnership Agreement in the form of Appendix "B" to these Articles or such other form as the General Partner may reasonably require;
- (c) "**Board of Directors**" means the board of directors of the Corporation;

- (d) **"board of directors of the Parent"** or, where the Parent has assumed the rights and obligations of CallCo pursuant to Section 10.1 of this Part 2, **"board of directors of Callco"** means the board of directors of the General Partner, and **"board of directors"** when used with reference to any other Person, means the board of directors of that Person;
- (e) **"Business Day"** means any day of the year, other than a Saturday, Sunday or any day on which major Canadian chartered banks are closed for business in Calgary, Alberta;
- (f) **"Call Right Exchange"** means any exchange of Exchangeable Shares for Parent Units pursuant to the exercise of the Liquidation Call Right, the Retraction Call Right or the Redemption Call Right;
- (g) **"Call Right Exchange Date"** means Liquidation Date, Retraction Date or Redemption Date, as applicable;
- (h) **"Call Rights"** means the Liquidation Call Right, the Retraction Call Right and the Redemption Call Right;
- (i) **"CallCo"** means, subject to Section 10.1 of this Part 2, a direct or indirect Canadian Subsidiary of the Parent designated by the Parent;
- (j) **"Closing Documents"** means (i) the certificates representing the Exchangeable Shares to be exchanged for the Liquidation Consideration, the Retraction Consideration or the Redemption Consideration, as the case may be, (ii) a Subscription Agreement, (iii) an Agreement to be Bound, (iv) such other documents and instruments as may be required to effect a transfer of such Exchangeable Shares under the Corporation's governing statute and regulations and these Articles, and (v) such additional documents and instruments as the Corporation or the Parent may reasonably require;
- (k) **"Closing Procedures"** means the provisions of and procedures described in Article 7 of this Part 2;
- (l) **"Common Shares"** means the common shares in the capital of the Corporation;
- (m) **"Control"** (including, without limitation, with correlative meanings, the terms **"controlled by"** and **"under common control with"**), as applied to any Person, means the possession by another Person, directly or indirectly, of the power to direct or cause the direction of the management and policies of that first mentioned Person, whether through the ownership of voting securities, by contract or otherwise;
- (n) **"Corporation"** means Freshstone Brands Inc. and any successor thereto;
- (o) **"Equity Securities"** means (i) any partnership units or capital stock (including, without limitation, common stock and preferred stock) or other equity interests in the Parent or any of its Subsidiaries (including, without limitation, other classes, groups or series thereof having such relative rights, powers, and/or obligations as may from time to time be established by the board of directors of the Parent or any of its Subsidiaries, including, without limitation, rights, powers, and/or duties different from, senior to or more favorable than existing classes, groups and series of partnership units or capital stock and other equity interests in the Parent or any of its Subsidiaries), (ii) obligations, evidences of indebtedness or other debt securities or interests convertible or exchangeable into partnership units or capital stock or other equity interests in the Parent or any of its Subsidiaries, and (iii) warrants, options or other rights to purchase or otherwise acquire

partnership units or capital stock or other equity interests in the Parent or any of its Subsidiaries;

- (p) **"Exchange Consideration"** means, in respect of an Exchangeable Share, at any particular time, one Parent Unit, as adjusted for Unit Splits, plus any Outstanding Dividend Amount;
- (q) **"Exchange Notice"** has the meaning given to it in Section 5.4(b) of this Part 2;
- (r) **"Exchangeable Shares"** mean the Exchangeable shares in the capital of the Corporation;
- (s) **"General Partner"** means Homestyle Selections GP Ltd., the general partner of the Parent;
- (t) **"Holder"** means a registered holder of Exchangeable Shares, other than CallCo and its Affiliates;
- (u) **"Holder Exchange"** means any acquisition by the Corporation of Exchangeable Shares pursuant to Sections 4.1, 5.1 or 6.1 of this Part 2;
- (v) **"Holder Exchange Consideration"** means Liquidation Consideration, Retraction Consideration or Redemption Consideration, as applicable;
- (w) **"Holder Exchange Date"** means Liquidation Date, Retraction Date or Redemption Date, as applicable;
- (x) **"Liquidation Call Right"** has the meaning given to it in Section 4.3(a) of this Part 2;
- (y) **"Liquidation Consideration"** has the meaning given to it in Section 4.1 of this Part 2;
- (z) **"Liquidation Date"** has the meaning given to it in Section 4.1 of this Part 2;
- (aa) **"Liquidation Event"** has the meaning given to it in Section 4.1 of this Part 2;
- (bb) **"Liquidation Put Right"** has the meaning given to it in Section 4.4(a) of this Part 2;
- (cc) **"Outstanding Dividend Amount"** means, in respect of an Exchangeable Share, an amount equivalent to the full value of all declared and unpaid dividends or distributions on such share on the applicable date, including, without limitation, any dividends or distributions required to be paid, including, without limitation, pursuant to these Exchangeable Share provisions or the Support Agreement;
- (dd) **"Parent"** means Homestyle Selections LP, a limited partnership formed in Alberta;
- (ee) **"Parent Declared Units"** has the meaning given to it in Section 3.1 of this Part 2;
- (ff) **"Parent Distribution Declaration Date"** means the date on which the board of directors of the Parent declares any distribution on or makes any other distribution in respect of the Parent Declared Units;
- (gg) **"Parent Sale"** means any transaction or series of related transactions as a result of which one or more Persons or group of Persons (other than any Affiliates of the Parent) acquired: (i) a number of Parent Units constituting greater than 50% of the aggregate

number of Parent Units then outstanding, or a number of securities of either CallCo or the Corporation that represent more than 50% of the voting power of the capital of such Person, in each case, whether such transaction is effected by merger, consolidation, reorganization, scheme of arrangement, sale, transfer of equity or other similar transaction; or (ii) all or substantially all of the assets of the Parent, or the Corporation (including by way of sale, license, lease or disposition); provided, however, that the board of directors of the Parent may also determine that any other transaction or series of related transactions constitutes a Parent Sale;

- (hh) **"Parent Units"** means the Class A Units in the capital of the Parent;
- (ii) **"Partnership Agreement"** means the amended and restated limited partnership agreement among the General Partner and the limited partners of the Parent dated as of April 9, 2020, as amended, supplemented or restated from time to time;
- (jj) **"Person"** means any natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, trust or other entity or organization, or any governmental authority;
- (kk) **"Public Offering"** means a sale of Equity Securities of (i) the Corporation, (ii) the Parent, (iii) an Affiliate of the Parent (including a Subsidiary), or (iv) a Person that is a successor to the Parent or the Corporation, in a public offering pursuant to an effective registration statement under the United States Securities Act of 1933 (as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder) filed with the United States Securities and Exchange Commission, or a final prospectus filed with applicable securities regulators in Canada for which a receipt is obtained, or any other transaction by which any of the foregoing Persons becomes a reporting issuer in Canada;
- (ll) **"Put/Call Right Exchange Consideration"** means the Liquidation Consideration, Retraction Consideration or Redemption Consideration, as applicable;
- (mm) **"Put Right Exchange"** means any exchange of Exchangeable Shares for Parent Units pursuant to the exercise of the Liquidation Put Right, the Retraction Put Right or the Redemption Put Right;
- (nn) **"Put Right Exchange Date"** means Liquidation Date, Retraction Date or Redemption Date, as applicable;
- (oo) **"Put Rights"** means the Liquidation Put Right, the Retraction Put Right and the Redemption Put Right;
- (pp) **"Redemption Call Right"** has the meaning given to it in Section 6.4 of this Part 2;
- (qq) **"Redemption Consideration"** has the meaning given to it in Section 6.1 of this Part 2;
- (rr) **"Redemption Date"** has the meaning given to it in Section 6.1 of this Part 2;
- (ss) **"Redemption Put Right"** has the meaning given to it in Section 6.6(a) of this Part 2;
- (tt) **"Retracted Shares"** has the meaning given to it in Section 5.2(a) of this Part 2;
- (uu) **"Retraction Call Right"** has the meaning given to it in Section 5.3 of this Part 2;

- (vv) **"Retraction Consideration"** has the meaning given to it in Section 5.1 of this Part 2;
- (ww) **"Retraction Date"** has the meaning given to it in Section 5.2(b) of this Part 2;
- (xx) **"Retraction Put Right"** has the meaning given to it in Section 5.5(a) of this Part 2;
- (yy) **"Retraction Request"** has the meaning given to it in Section 5.2 of this Part 2;
- (zz) **"Subscription Agreement"** means a duly executed and properly completed subscription agreement in such form as the General Partner may reasonably require;
- (aaa) **"Subsidiary"** of any Person means a Person Controlled by:
 - (i) such first Person,
 - (ii) such first Person and one or more Persons each of which is Controlled by such first Person, or
 - (iii) two or more Persons each of which is Controlled by such first Person,
 and includes any indirect subsidiaries;
- (bbb) **"Support Agreement"** means the support agreement to be entered into among the Corporation, the Parent and the Holders, as may be amended, restated, amended and restated, or supplemented from time to time; and
- (ccc) **"Unit Split"** means, in respect of the Parent Units:
 - (i) the subdivision of the Parent Units into a greater number (other than by way of a distribution described in Section 3.1 of this Part 2), or
 - (ii) the consolidation of the Parent Units into a smaller number;
 and **"as adjusted for Unit Splits"** means, in relation to a specific number of Parent Units, such number of Parent Units multiplied by a fraction:
 - (iii) the numerator of which is the number of Parent Units outstanding immediately prior to a Unit Split, and
 - (iv) the denominator of which is the number of Parent Units outstanding immediately after the Unit Split.

ARTICLE 2 VOTING

Section 2.1 Non-Voting

Except as required by applicable law and by Section 2.2 of this Part 2, the Holders are not entitled as such to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting.

Section 2.2 Amendment and Approval Requirements

- (a) The rights and privileges attaching to the Exchangeable Shares may be removed or changed, and the restrictions and conditions attaching to the Exchangeable Shares may be added to or changed, by approval of two-thirds of the Holders and with the written consent of the Parent.
- (b) For purposes of these Exchangeable Share provisions, where an action is to be taken by the Holders, in addition to the requirements of applicable law, if any, such action may be taken if the requisite number of such Holders:
 - (i) agree in writing; or
 - (ii) pass a resolution to such effect at a duly constituted meeting of such Holders, voting as a single class.

**ARTICLE 3
DISTRIBUTIONS****Section 3.1 Distributions on Parent Units**

If a distribution is declared on or other distribution is made in respect of any Parent Units on a Parent Distribution Declaration Date (such units being referred to herein as the "**Parent Declared Units**"), each Holder is entitled to receive, and the Board of Directors will, subject to applicable law, on such Parent Distribution Declaration Date, declare a dividend or distribution on each Exchangeable Share:

- (a) in the case of a cash distribution declared on the Parent Declared Units, in an amount in cash for each Exchangeable Share in Canadian dollars, in each case, equal to the cash dividend or distribution declared on each Parent Declared Unit;
- (b) in the case of a dividend or distribution declared on the Parent Declared Units to be paid in Parent Units, by the issue or transfer by the Corporation of such number of Exchangeable Shares for each Exchangeable Share as is equal to the number of Parent Units to be paid on each Parent Declared Unit as a result of such distribution unless in lieu of such dividend or distribution the Corporation or the Holders elect to effect a corresponding and contemporaneous and economically equivalent (in accordance with the Support Agreement) subdivision of the outstanding Exchangeable Shares; and
- (c) in the case of a distribution declared on the Parent Declared Units in property other than cash or units (including, without limitation, rights, options or warrants to purchase additional Parent Declared Units), in such type and amount of property for each Exchangeable Share as is the same as or economically equivalent (in accordance with the Support Agreement) to the type and amount of property declared as a distribution on each Parent Declared Unit.

Section 3.2 Record and Payment Dates for Dividends

The record date for the determination of the Holders entitled to receive payment of, and the payment date for, any dividend or distribution declared on the Exchangeable Shares under Section 3.1 of this Part 2 are the same dates as the record date and payment date, respectively, for the corresponding distribution declared on the Parent Declared Units. The record date for the determination of the Holders entitled to receive Exchangeable Shares in connection with any subdivision of the Exchangeable Shares under

Section 3.1(b) of this Part 2 and the effective date of such subdivision shall be the same dates as the record and payment date, respectively, for the corresponding distribution declared on the Parent Declared Units.

Section 3.3 Payment

Cheques of the Corporation payable at par at any branch of the bankers of the Corporation shall be issued in respect of any cash dividends or distributions contemplated by Section 3.1(a) of this Part 2, and the sending of such a cheque to each Holder at the address of such Holder recorded in the securities register of the Corporation shall satisfy the cash dividend or distribution represented thereby unless the cheque is not paid on presentation. Satisfaction by the Corporation of the issue or transfer of Exchangeable Shares as contemplated by Section 3.1(b) of this Part 2 will be made by (a) delivery to each Holder, at the address of such Holder recorded in the securities register of the Corporation or (b) by holding for pick up by the Holder at the registered office of the Corporation, certificates representing Exchangeable Shares (which shares are to be duly issued, fully paid and non-assessable and free and clear of any lien, claim, encumbrance, security interest or adverse claim, other than under these Articles or applicable law). Such other type and amount of property in respect of any dividends or distributions contemplated by Section 3.1(c) of this Part 2 shall be issued, distributed or transferred by the Corporation in such manner as the Board of Directors shall determine (in its discretion) and the issuance, distribution or transfer thereof by the Corporation to each Holder shall satisfy the dividend or distribution represented thereby. No Holder shall be entitled to recover by action or other legal process against the Corporation any dividend or distribution represented by a cheque that has not been duly presented to the Corporation's bankers for payment or that otherwise remains unclaimed for a period of six years from the date on which such dividend or distribution was payable.

Section 3.4 Subsequent Payment of Dividends

If on any payment date under Section 3.2 of this Part 2 for any dividends or distributions declared on the Exchangeable Shares under Section 3.1 of this Part 2, the dividends or distributions are not paid in full on all of the outstanding Exchangeable Shares, any such dividends or distributions that remain unpaid are to be paid, and the Corporation shall pay such dividends and distributions, on a subsequent date or dates determined by the Board of Directors (such date or dates to be determined in the Board of Directors' discretion) on which the Corporation has sufficient outstanding Exchangeable Shares, money, assets or property properly available to the payment of such dividends or distributions.

Section 3.5 No Other Dividends

Other than as set out in Section 3.1 of this Part 2, or except with prior approval of the Parent, the Holders are not entitled to receive dividends or distributions from the Parent or the Corporation.

ARTICLE 4 LIQUIDATION

Section 4.1 Rights on Liquidation

Upon the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation to its shareholders for the purpose of winding up its affairs (a "**Liquidation Event**"), a Holder is entitled, subject to applicable law, the Liquidation Call Right and the Liquidation Put Right, to receive from the Corporation in respect of each Exchangeable Share held by such Holder on the effective date (the "**Liquidation Date**") of such Liquidation Event, before any distribution of any part of the assets of the Corporation among the holders of the Common Shares or any other shares of the Corporation ranking junior to such Exchangeable Shares, an amount per share equal to the Exchange Consideration

on the last Business Day prior to the Liquidation Date, which is to be paid and satisfied in full by the Corporation causing to be delivered to such Holder on the Liquidation Date:

- (a) one Parent Unit (as adjusted for Unit Splits); and
 - (b) an amount equal to the Outstanding Dividend Amount,
- (collectively, the "**Liquidation Consideration**").

Section 4.2 Method of Distribution on Liquidation

- (a) On or before the Liquidation Date, and subject to the exercise by CallCo of the Liquidation Call Right, the Corporation will cause to be delivered to the Holders the Liquidation Consideration for each such Exchangeable Share upon presentation and surrender of the Closing Documents pursuant to the Closing Procedures.
- (b) After the Corporation has satisfied its obligation to pay to the Holders the Liquidation Consideration pursuant to Section 4.1 of this Part 2, such Holders are not entitled to share in any further distribution of the assets of the Corporation.

Section 4.3 Liquidation Call Right

- (a) Upon a Liquidation Event, CallCo has the overriding right (the "**Liquidation Call Right**") to purchase from any or all of the Holders, on the Liquidation Date, such number of Exchangeable Shares as is determined by the board of directors of CallCo, held by each such Holder for consideration per share equal to the Liquidation Consideration for such Exchangeable Shares.
- (b) To exercise the Liquidation Call Right, CallCo must notify the Corporation, the Parent and the Holders, as applicable, of its intention to exercise such right at least five Business Days before the Liquidation Date (the "**Liquidation Call Right Notice**").
- (c) If CallCo exercises the Liquidation Call Right, then on the Liquidation Date, CallCo will acquire, and each of the Holders will transfer to CallCo, such number of Exchangeable Shares as set out in the Liquidation Call Right Notice for consideration equal to the Liquidation Consideration for each such Exchangeable Share against presentation and surrender of the Closing Documents pursuant to the Closing Procedures.

Section 4.4 Liquidation Put Right

- (a) Upon a Liquidation Event, provided that CallCo has not exercised the Liquidation Call Right, or if CallCo has exercised the Liquidation Call Right for less than all of the Exchangeable Shares held by such Holder, each Holder shall have the right to require CallCo to purchase from such Holder all but not less than all of such Holder's Exchangeable Shares outstanding on the Liquidation Date for the Liquidation Consideration per share for such Exchangeable Shares (the "**Liquidation Put Right**").
- (b) To exercise the Liquidation Put Right, a Holder must notify the Corporation, the Parent and CallCo of its intention to exercise such right at least five Business Days before the Liquidation Date.
- (c) If the Liquidation Put Right is exercised by a Holder, then on the Liquidation Date, CallCo will acquire, and such Holder will transfer to CallCo all but not less than all of such Holder's Exchangeable Shares then outstanding for the Liquidation Consideration for

each such Exchangeable Share against presentation and surrender of the Closing Documents pursuant to the Closing Procedures.

Section 4.5 Solvency Restrictions

Notwithstanding any other provision of these Articles, the Corporation is not obligated to deliver any Liquidation Consideration to the extent that the delivery of the Liquidation Consideration with respect to all of the then outstanding Exchangeable Shares would be contrary to solvency requirements or any other provision of applicable law.

ARTICLE 5 RETRACTION

Section 5.1 Retraction of Exchangeable Shares by Holder

A Holder is entitled at any time, subject to applicable law and the exercise of the Retraction Call Right and the Retraction Put Right and otherwise upon compliance with the provisions of this Article 5 of this Part 2, to require the Corporation to redeem all (but not less than all) of the Exchangeable Shares registered in the name of such Holder for an amount per Exchangeable Share equal to the Exchange Consideration on the last Business Day prior to the Retraction Date, which is to be paid and satisfied in full by the Corporation causing to be delivered to such Holder on the Retraction Date:

- (a) one Parent Unit (as adjusted for Unit Splits); and
- (b) an amount equal to the Outstanding Dividend Amount,
(collectively, the "**Retraction Consideration**").

Section 5.2 Retraction Request by Holders

To effect the redemption, a Holder must deliver to the Corporation, in accordance with the Closing Procedures, the Closing Documents together with a duly executed statement (the "**Retraction Request**") in the form of Appendix "A" to these Articles, or in such other form as may be acceptable to the Corporation:

- (a) specifying that such Holder desires to have all of the Exchangeable Shares held by such Holder (the "**Retracted Shares**") redeemed by the Corporation;
- (b) stating the Business Day on which the Holder desires to have the Corporation redeem the Retracted Shares (the "**Retraction Date**"), provided that:
 - (i) the Retraction Date may not be less than 10 Business Days nor more than 20 Business Days after the date on which the Retraction Request is received by the Corporation;
 - (ii) if no such Business Day is specified by the Holder in the Retraction Request, the Retraction Date is the 15th Business Day after the date on which the Retraction Request is received by the Corporation; and
- (c) acknowledging, subject to the Holder revoking the Retraction Request in the manner specified in Section 5.8 of this Part 2, the Retraction Call Right of CallCo.

Section 5.3 Retraction Call Right

If a Holder delivers a Retraction Request to the Corporation, CallCo has the overriding right (the "**Retraction Call Right**") to purchase from such Holder such number of Retracted Shares, as is determined by the board of directors of CallCo, held by the Holder for an exchange price per share equal to the Retraction Consideration per share on the terms and conditions set out in Section 5.4 of this Part 2.

Section 5.4 Exercise of Retraction Call Right

- (a) Upon receipt by the Corporation of a Retraction Request, the Corporation must promptly notify the Parent and CallCo of such receipt.
- (b) In order to exercise the Retraction Call Right, CallCo must notify the Holder of its determination to do so (the "**Exchange Notice**") within five Business Days of the Corporation's receipt of the Retraction Request.
- (c) If CallCo delivers an Exchange Notice within such five Business Day period, and provided that the Retraction Request is not revoked by such Holder in the manner specified in Section 5.8 of this Part 2:
 - (i) the Retraction Request is thereupon considered only to be an offer by the Holder to sell such number of the Retracted Shares as set out in the Exchange Notice to CallCo in accordance with the Retraction Call Right;
 - (i) such offer is deemed to be accepted by CallCo;
 - (ii) the Corporation may not redeem such Retracted Shares; and
 - (iii) CallCo must purchase from such Holder and such Holder must sell to CallCo on the Retraction Date such number of the Retracted Shares as set out in the Exchange Notice for a purchase price per share equal to the Retraction Consideration for such Retracted Share against presentation and surrender of Closing Documents pursuant to the Closing Procedures.

Section 5.5 Retraction Put Right

- (a) If a Holder delivers a Retraction Request to the Corporation and provided that CallCo has not exercised the Retraction Call Right, or if CallCo has exercised the Retraction Call Right for less than all of the Retracted Shares held by such Holder, such Holder shall have the right to require CallCo to purchase from such Holder (i) the Retracted Shares, or (ii) if CallCo has exercised the Retraction Call Right over a portion of the Retracted Shares, then the balance of the Retracted Shares, on the Retraction Date for the Retraction Consideration per share for such Retracted Shares (the "**Retraction Put Right**").
- (b) To exercise the Retraction Put Right, a Holder must notify the Corporation, the Parent and CallCo of its intention to exercise such right within five Business Days of the Corporation's receipt of the Retraction Request from the Holder.
- (c) If the Retraction Put Right is exercised by a Holder, then on the Retraction Date, CallCo will acquire, and such Holder will transfer to CallCo, all but not less than all of such Holder's Retracted Shares then outstanding for the Retraction Consideration for each

such Retracted Share against presentation and surrender of the Closing Documents pursuant to the Closing Procedures.

Section 5.6 Redemption by the Corporation

If CallCo does not deliver an Exchange Notice within such five Business Day period, and if the Retraction Request is not revoked by the Holder in the manner specified in Section 5.8 of this Part 2 or if no notice has been provided under Section 5.5(b) of this Part 2, the Corporation will cause to be delivered on the Retraction Date to the Holder the Retraction Consideration for each such Exchangeable Share so held against presentation and surrender of the Closing Documents in accordance with the Closing Procedures.

Section 5.7 Solvency Restrictions

- (a) Notwithstanding any other provision of these Articles, the Corporation is not obligated to redeem Retracted Shares in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to solvency requirements or any other provision of applicable law.
- (b) If the Corporation believes that on any Retraction Date it would not be permitted by any provision of applicable law to redeem the Retracted Shares tendered for redemption on the Retraction Date, and if CallCo has not exercised the Retraction Call Right with respect to the Retracted Shares, the Corporation is only obligated to redeem the maximum number of Retracted Shares that may be so redeemed (rounded down to the nearest whole number of shares) as would not be contrary to such provisions and will notify the Holder at least two Business Days prior to the Retraction Date as to the number of Retracted Shares that will not be redeemed by the Corporation.
- (c) In any case in which the redemption by the Corporation of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law, the Corporation will redeem Retracted Shares in accordance with these Exchangeable Share provisions on a pro rata basis and will issue to each holder of Retracted Shares a new certificate, at the expense of the Corporation, representing the Retracted Shares not redeemed by the Corporation.
- (d) If any Retracted Shares are not redeemed by the Corporation due to solvency requirements or other provisions of applicable law, each holder of such Retracted Shares will be deemed, by the delivery of the Retraction Request, to have exercised the Retraction Put Right with respect to such Retracted Shares, and on the Retraction Date, CallCo will acquire, and such Holder will transfer to CallCo, such Retracted Shares for the Retraction Consideration for each such Retracted Share against presentation and surrender of the Closing Documents pursuant to the Closing Procedures.

Section 5.8 Revocability

A holder of Retracted Shares may, by notice in writing given by the Holder to the Corporation before the close of business on the Business Day immediately preceding the Retraction Date, withdraw its Retraction Request, in which case such Retraction Request is null and void and, for greater certainty, the revocable offer constituted by the Retraction Request to sell the Retracted Shares to CallCo is deemed to have been revoked.

ARTICLE 6 REDEMPTION

Section 6.1 Redemption of Exchangeable Shares by the Corporation

- (a) Subject to applicable law, and so long as the Redemption Call Right or the Redemption Put Right has not been exercised with respect to such Exchangeable Shares, the Corporation may redeem such number of Exchangeable Shares as is determined by the Board of Directors upon or in contemplation of the earlier of the following dates (the "**Redemption Date**"):
- (i) the effective date in respect of, a Parent Sale;
 - (ii) the date determined by the Board of Directors in the context of the closing of a Public Offering;
 - (iii) the date upon which a liquidation, dissolution or winding-up proceedings of any Subsidiary of the Corporation becomes effective; or
 - (iv) if the *Income Tax Act* (Canada) is amended to permit the Holders to effect an exchange for Parent Units without creating a taxable event under the *Income Tax Act* (Canada) for the Holders, then the date of such amendment, provided that the Board of Directors may, in its sole discretion, waive the Corporation's right to redeem the Exchangeable Shares under this provision,
- provided that if the board of directors of the Parent determines, in good faith and in their sole discretion, that another date should be used for the purposes of this term in order to enable the completion of any one of the foregoing transactions in accordance with its terms or to properly give effect to the terms hereof, then such Redemption Date shall be such other date as the board of directors of the Parent may determine (in their sole discretion), to be reasonably practicable in such circumstances.
- (b) Notwithstanding the foregoing, with respect to a redemption in connection with a Parent Sale, if the board of directors of the Parent may accelerate such redemption date to such date prior to the Parent Sale as such board of directors may determine (in its sole discretion), upon such number of days (not to be less than five Business Days in any event) of prior written notice to Holders as the board of directors of the Parent may determine (in its sole discretion) to be reasonably practicable in such circumstances. The Parent and the board of directors of the Parent will use all commercially reasonable efforts to ensure that any such redemption is conditional upon the closing of the Parent Sale, and that, if the closing of the Parent Sale does not occur, such redemption will be ineffective and deemed to have not occurred.
- (c) The consideration payable to the Holders in connection with a redemption pursuant to this Article 6 of this Part 2 will be an amount per Exchangeable Share equal to the Exchange Consideration for each such Exchangeable Share on the last Business Day prior to the Redemption Date, which is to be paid and satisfied in full by the Corporation causing to be delivered to each Holder in respect of each redeemed Exchangeable Share:
- (i) one Parent Unit (as adjusted for Unit Splits); and
 - (ii) an amount equal to the Outstanding Dividend Amount,

(collectively, the "**Redemption Consideration**").

Section 6.2 Notice of Redemption by Corporation

- (a) Prior to a redemption of Exchangeable Shares under this Article 6 of this Part 2, the Corporation shall send or cause to be sent to each Holder a notice in writing of the redemption by the Corporation or the purchase by CallCo under the Redemption Call Right, as the case may be, of the Exchangeable Shares held by such Holder:
 - (i) in the case of a Redemption Date established in connection with a Parent Sale, on as many days prior written notice as may be determined by the Board of Directors to be reasonably practicable under the circumstances; and
 - (ii) in any other case, at least seven days before the Redemption Date.
- (b) Such notice must set out the Redemption Consideration, the Redemption Date and, if applicable, particulars of the Redemption Call Right.

Section 6.3 Delivery of Redemption Consideration

On the Redemption Date, subject to the exercise by CallCo of the Redemption Call Right, the Corporation will cause to be delivered to the Holders of the Exchangeable Shares to be redeemed the Redemption Consideration for each such Exchangeable Share, upon presentation and surrender of the Closing Documents pursuant to the Closing Procedures.

Section 6.4 Redemption Call Right

CallCo has the overriding right (the "**Redemption Call Right**"), notwithstanding the proposed redemption of the Exchangeable Shares by the Corporation pursuant to Section 6.1 of this Part 2, to purchase from any or all of the Holders, on the Redemption Date, such number of the Exchangeable Shares as is determined by the board of directors of CallCo for consideration per share equal to the Redemption Consideration. Upon the exercise of the Redemption Call Right by CallCo, each Holder must sell such number of Exchangeable Shares held by the Holder as set out in the Redemption Call Right Notice to CallCo on the Redemption Date upon delivery by CallCo to the Holder of the Redemption Consideration.

Section 6.5 Exercise of Redemption Call Right

- (a) The Corporation will notify the Parent and CallCo (if not the Parent) of a Redemption Date at least five Business Days prior to the Redemption Date (except in respect of a Redemption Date established in connection with a Parent Sale, in which case the Corporation will so notify the Parent and CallCo (if not the Parent) with as much prior notice as is determined by the Board of Directors to be reasonably practicable under the circumstances).
- (b) To exercise the Redemption Call Right, CallCo must notify the Holders, as applicable, of its intention to exercise such right at least five Business Days before the Redemption Date (except in respect of a Redemption Date established in connection with a Parent Sale, in which case CallCo will so notify the Holders with as much prior notice as is determined by the board of directors of CallCo to be reasonably practicable under the circumstances) (the "**Redemption Call Right Notice**").
- (c) If CallCo exercises the Redemption Call Right, then, on the Redemption Date, CallCo will purchase, and the Holders, as applicable, will sell to CallCo such number of

Exchangeable Shares held by such Holder set out in the Redemption Call Right Notice for an amount per share equal to the Redemption Consideration for each such Exchangeable Share against presentation and surrender of the Closing Documents pursuant to the Closing Procedures.

Section 6.6 Redemption Put Right

- (a) Provided that CallCo has not exercised the Redemption Call Right, or if CallCo has exercised the Redemption Call Right for less than all of the Exchangeable Shares held by such Holder, each Holder shall have the right to require CallCo to purchase from such Holder all but not less than all of such Holder's Exchangeable Shares outstanding on the Redemption Date for the Redemption Consideration per share for such Exchangeable Shares (the "**Redemption Put Right**").
- (b) To exercise the Redemption Put Right, a Holder must notify the Corporation, the Parent and CallCo of its intention to exercise such right at least two Business Days before the Redemption Date (except in respect of Redemption Date established in connection with a Parent Sale or a Public Offering, in which case a Holder must notify the Corporation, the Parent and CallCo of its intention to exercise such right within half of the period between the date of the delivery of the notice by the Corporation pursuant to Section 6.2(a) of this Part 2 and the Redemption Date).
- (c) If the Redemption Put Right is exercised by a Holder, then on the Redemption Date, CallCo will acquire, and such Holder will transfer to CallCo, all but not less than all of such Holder's then outstanding Exchangeable Shares for the Redemption Consideration for each such Exchangeable Share.

Section 6.7 Solvency Restrictions

Notwithstanding any other provision of these Articles, the Corporation is not obligated to redeem any Exchangeable Shares to the extent that the redemption of all of the then outstanding Exchangeable Shares would be contrary to solvency requirements or any other provision of applicable law.

ARTICLE 7 CLOSING PROCEDURES

Section 7.1 Holder Exchange

- (a) For purposes of completing an exchange of the Exchangeable Shares pursuant to a Holder Exchange, the Corporation will cause to be delivered to the Holder subject to the Holder Exchange, the Holder Exchange Consideration against presentation and surrender of the Closing Documents.
- (b) Satisfaction by the Corporation of the aggregate Holder Exchange Consideration will be made by delivery to each Holder, at the address of the Holder recorded in the securities register of the Corporation or by holding for pick up by the Holder at the registered office of the Corporation, written confirmation that the Parent Units or other securities constituting the Holder Exchange Consideration (which units are to be duly issued as fully paid and non-assessable and free and clear of any lien, claim, encumbrance, security interest or adverse claim, other than under the Partnership Agreement, these Articles or applicable law), if applicable, and a cheque of the Corporation payable at par at any branch of the bankers of the Corporation totaling the cash portion of any Outstanding

Dividend Amount (less any tax required to be deducted and withheld from the total Holder Exchange Consideration) without interest.

- (c) On and after the Holder Exchange Date, the Exchangeable Shares shall cease to be outstanding, and Holders shall cease to be Holders of Exchangeable Shares and will not be entitled to exercise any of the rights of Holders in respect thereof, unless delivery of the total Holder Exchange Consideration for such Exchangeable Shares is not made upon presentation and surrender of the Closing Documents in accordance with the foregoing provisions, in which case the rights of the Holders will remain unaffected until the total Holder Exchange Consideration has been paid.
- (d) The Corporation may, at any time on or after the Holder Exchange Date, deposit or cause to be deposited the total Holder Exchange Consideration in respect of the Closing Documents that have not, at the Holder Exchange Date, been presented and surrendered by the Holders thereof in a custodial account with any chartered bank or trust company in Canada. The rights of the Holders of such Exchangeable Shares after such deposit will be limited to the receipt of their proportionate part of the total Holder Exchange Consideration (less any tax required to be deducted and withheld therefrom) without interest for such Exchangeable Shares, against presentation and surrender of the said Closing Documents respectively in accordance with the foregoing provisions, and such Holders will after such deposit not be deemed for any purpose to be holders of Parent Units unless and until the Closing Documents have been presented and surrendered by the Holders thereof.

Section 7.2 Call Right Exchange and Put Right Exchange

- (a) For the purposes of completing an exchange of the Exchangeable Shares pursuant to the Call Right Exchange or the Put Right Exchange, as applicable, CallCo will cause to be delivered to the Holders that are subject to the Call Right Exchange or the Put Right Exchange, as applicable, the Put/Call Right Exchange Consideration against presentation and surrender of the Closing Documents.
- (b) Satisfaction by CallCo of payment of the Put/Call Right Exchange Consideration for such Exchangeable Shares will be made by delivery to each Holder, at the address of the Holder recorded in the securities register of the Corporation or by holding for pick up by the Holder at the registered office of the Corporation, written confirmation that the Parent Units or other securities constituting the Put/Call Right Exchange Consideration (which units are to be duly issued as fully paid and non-assessable and free and clear of any lien, claim, encumbrance, security interest or adverse claim, other than under the Partnership Agreement, these Articles or applicable law) and a cheque of CallCo payable at par at any branch of the bankers of CallCo or the Corporation totaling any Outstanding Dividend Amount (less any tax required to be withheld from the total Put/Call Right Exchange Consideration by CallCo) without interest.
- (c) On and after the Call Right Exchange Date or the Put Right Exchange Date, as applicable, the Exchangeable Shares shall cease to be outstanding, and the Holders shall cease to be Holders of such Exchangeable Shares and will not be entitled to exercise any of the rights of Holders in respect thereof, unless CallCo does not complete the Call Right Exchange or the Put Right Exchange, as applicable, upon presentation and surrender of the Closing Documents in the manner described above, in which case the Holders will be entitled to receive from the Corporation and the Corporation will pay therefor the Holder Exchange Consideration upon presentation and surrender of the Closing Documents in the manner set forth in Section 7.1 of this Part 2, failing which the

rights of the Holders will remain unaffected until the total Put/Call Right Exchange Consideration (without duplication) has been paid.

- (d) CallCo may, at any time on or after the Call Right Exchange Date or the Put Right Exchange Date, as applicable, deposit the total Put/Call Right Exchange Consideration in respect of the Closing Documents that have not at the Call Right Exchange Date or Put Right Exchange Date been surrendered by the Holders thereof in a custodial account with any chartered bank or trust company in Canada. The right of the Holders of such Exchangeable Shares after such deposit will be limited to the receipt of their proportionate part of the total Put/Call Right Exchange Consideration (less any tax required to be deducted and withheld therefrom) without interest for such Exchangeable Shares, against presentation and surrender of the said Closing Documents respectively in accordance with the foregoing provisions, and such Holders will after such deposit not be deemed to be holders of Parent Units unless and until the Closing Documents have been presented and surrendered by the Holders thereof.

ARTICLE 8 NOTICES

Section 8.1 Method of Delivery of Notice by Holders of Exchangeable Shares

Any notice, request or other communication to be given to the Corporation, the Parent or CallCo by a Holder must be in writing and is valid if given in accordance with the bylaws of the Corporation.

Section 8.2 Presentation and Surrender of Closing Documents

- (a) Any presentation and surrender by a Holder to the Corporation or CallCo of Closing Documents in connection with the liquidation, dissolution or winding-up of the Corporation or the retraction or redemption of Exchangeable Shares must be made by delivery of the Closing Documents by regular mail (postage prepaid) or by delivery to the registered office of the General Partner, addressed to the attention of the **[President]** of the General Partner.
- (b) Any such presentation and surrender of Exchangeable Shares is deemed only to have been made and to be effective upon actual receipt of such Closing Documents by the General Partner.
- (c) Any such presentation and surrender of Exchangeable Shares made by regular mail is at the sole risk of the Holder mailing the Closing Documents.

Section 8.3 Delivery of Notices, etc., by the Corporation to Holders of Exchangeable Shares

Any notice, request or other communication to be given to a Holder by or on behalf of the Corporation must be in writing and is valid if given in accordance with the bylaws of the Corporation.

ARTICLE 9 ACTIONS BY THE CORPORATION UNDER OTHER AGREEMENTS

Section 9.1 Compliance with Other Agreements

The Corporation shall take all such actions and do all such things as shall be necessary or advisable to perform and comply with and to ensure performance of the Corporation with all provisions of the Support Agreement applicable to the Corporation in accordance with the terms thereof, including, without limitation, taking all such actions and doing all such things as shall be necessary or advisable to enforce to the fullest extent possible for the direct benefit of the Corporation all rights and benefits in favour of the Corporation under or pursuant to such agreement.

Section 9.2 Required Approval

The Corporation shall not propose, agree to or otherwise give effect to any amendment to, or waiver or forgiveness of its rights or obligations under, the Support Agreement without approval by Holders representing a majority of the then outstanding Exchangeable Shares, expressed either by (i) a written resolution of Holders representing a majority of the then outstanding Exchangeable Shares, or (ii) approval of a resolution at a meeting of the Holders of Exchangeable Shares by Holders, represented in person or by proxy, of a majority of Exchangeable Shares.

Section 9.3 Governance

The Corporation is subject to the governance agreement of Homestyle Selections GP Ltd. dated April 9, 2020, as it may be amended, which governs the affairs and restricts the rights of the Corporation.

ARTICLE 10 MISCELLANEOUS

Section 10.1 Assumption of CallCo Rights and Obligations by the Parent

Upon notice to the Holders of the Exchangeable Shares, the Parent may assume the rights and obligations of CallCo hereunder at any time, in which case "CallCo" shall mean the Parent and this Part 2 shall be read for all purposes to give effect to that change, *mutatis mutandis*, without any further act or formality.

Section 10.2 Appropriate Legends

The certificates evidencing the Exchangeable Shares shall contain or have affixed thereto a legend in form and on terms approved by the Board of Directors, with respect to the Support Agreement and the provisions relating to the Liquidation Call Right, the Retraction Call Right and the Redemption Call Right, the Liquidation Put Right, the Retraction Put Right and the Redemption Put Right.

Section 10.3 Acknowledgements of Call Rights

Each Holder, whether of record or beneficial, by virtue of becoming and being such a Holder shall be deemed to acknowledge each of the Liquidation Call Right, the Retraction Call Right and the Redemption Call Right, in each case, in favour of CallCo, and the overriding nature thereof in connection with the liquidation, dissolution or wind-up of the Corporation or the retraction or redemption of Exchangeable Shares, as the case may be, and to be bound thereby in favour of CallCo.

Section 10.4 No Transfer

The Exchangeable Shares may not be transferred to any Person by a Holder, except (i) to the Corporation or to any Affiliate of the Corporation; (ii) as is required under these Articles, including for greater certainty in order to give effect to a retraction or redemption hereunder; (iii) as may be required under the Support Agreement; or (iv) with the prior written consent of the Board of Directors, which consent may be withheld by the Board of Directors in its sole discretion, to any Person (other than an individual) that is Controlled by the Holder, subject to such Person agreeing in writing to be bound by the Support Agreement and any such other conditions as the Board of Directors may impose in its sole discretion.

**ARTICLE 11
TAX MATTERS****Section 11.1 Right to Withhold**

The Parent, CallCo and the Corporation may deduct and withhold from any consideration otherwise payable to any Holder such amounts as the Parent, CallCo or the Corporation is required or permitted to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada), the United States Internal Revenue Code of 1986 or any provision of provincial, state, local or foreign tax law, in each case as amended or succeeded. To the extent that amounts are so withheld, such withheld amounts are to be treated for all purposes as having been paid to the Holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required or permitted to be deducted or withheld from any payment to a Holder exceeds the cash portion of the consideration otherwise payable to the Holder, the Holder will be notified in writing thereof by the Parent, CallCo or the Corporation (as applicable) and the Holder must pay the difference (up to the amount required to be withheld by the Parent, CallCo or the Corporation) in cash to such withholding party; failing payment of such difference within five Business Days after notice is provided to the Holder, the Parent, CallCo and the Corporation are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to the Parent, CallCo or the Corporation, as the case may be, to enable it to comply with such deduction or withholding requirement and the Parent, CallCo or the Corporation will notify the Holder thereof and remit to such Holder any unapplied balance of the net proceeds of such sale. The Parent, CallCo or the Corporation shall endeavor in good faith to maximize the proceeds realized from any such sale or disposition of the consideration.

**APPENDIX A
NOTICE OF RETRACTION**

TO: Freshstone Brands Inc. (the "**Corporation**")

AND TO: Homestyle Selections LP ("**Parent**")

AND TO: any direct or indirect Canadian Subsidiary of the Parent designated by the Parent as "CallCo" for purposes of the Share Provisions ("**CallCo**")

This notice is given pursuant to the special rights and restrictions (the "**Share Provisions**") attaching to the Exchangeable Shares of the Corporation represented by this certificate and all capitalized words and expressions used in this notice that are defined in the Share Provisions have the meanings ascribed to such words and expressions in such Share Provisions.

The undersigned hereby notifies the Corporation that, subject to the Retraction Call Right referred to below, the undersigned desires to have the Corporation redeem all of the undersigned's Exchangeable Shares (the "**Retracted Shares**") in accordance with the Share Provisions.

The undersigned hereby notifies the Corporation that the Retraction Date shall be [●].

NOTE:

The Retraction Date must be a Business Day and must not be less than 10 Business Days nor more than 20 Business Days after the date upon which this notice is received by the Corporation. If no such Business Day is specified above, the Retraction Date shall be deemed to be the 15th Business Day after the date on which this notice is received by the Corporation.

The undersigned acknowledges the overriding Retraction Call Right of CallCo to purchase such number of the Retracted Shares, as is determined by the board of directors of CallCo, from the undersigned and that this notice is and shall be deemed to be a revocable offer by the undersigned to sell such Retracted Shares to CallCo in accordance with the Retraction Call Right on the Retraction Date for the Retraction Consideration and on the other terms and conditions set out in Section 5.4 of Part 2 of the Share Provisions. This notice of retraction, and this offer to sell such Retracted Shares to CallCo may be revoked and withdrawn by the undersigned only by notice in writing given to the Corporation at any time before the close of business on the Business Day immediately preceding the Retraction Date.

The undersigned hereby represents and warrants to the Parent, CallCo and the Corporation that the undersigned:

is

(select one)

is not

a non-resident of Canada for purposes of the *Income Tax Act* (Canada). The undersigned acknowledges that in the absence of an indication that the undersigned is not a non-resident of Canada, withholding on account of Canadian tax may be made from amounts payable to the undersigned on the redemption or purchase of the Retracted Shares.

The undersigned hereby represents and warrants to the Parent, CallCo and the Corporation that the undersigned has good title to, and owns, the share(s) represented by this certificate to be acquired by CallCo or the Corporation, as the case may be, free and clear of all liens, claims and encumbrances, other than under the Corporation's Articles.

Date:

Signature of Shareholder

Guarantee of Signature

Name of Shareholder

Please check box if the securities (or written confirmation thereof, as applicable) and any cheque(s) resulting from the retraction or purchase of the Retracted Shares are to be held for pick-up by the shareholder from the Corporation, failing which the securities and any cheque(s) will be mailed to the last address of the shareholder as it appears on the register.

NOTE: The information below must be completed and this certificate, together with such additional documents as the Corporation may require, must be deposited with the General Partner (as defined in the Share Terms) at its registered office. The securities and any cheque(s) resulting from the retraction or exchange of the Retracted Shares will be issued and registered in, and made payable to, respectively, the name of the shareholder as it appears on the register of the Corporation and the securities and cheque(s) resulting from such retraction or exchange will be delivered to such shareholder as indicated above.

**APPENDIX B
AGREEMENT TO BE BOUND**

To: Homestyle Selections GP Ltd. (the "**General Partner**")

RE: Amended and restated limited partnership agreement among the General Partner and the limited partners of Homestyle Selections LP (the "**Partnership**") dated as of April 9, 2020, as amended, supplemented or restated from time to time (the "**Partnership Agreement**")

WHEREAS the undersigned intends to exchange Exchangeable Shares in the capital of Freshstone Brands Inc. for Class A Units in the capital of the Partnership and to become a party to, and be bound by the terms and conditions of, the Partnership Agreement as a limited partner.

AND WHEREAS the General Partner is the general partner of the Partnership.

IN CONSIDERATION of the General Partner allowing the undersigned to become a limited partner in the Partnership, the undersigned:

1. acknowledges that the undersigned has reviewed the Partnership Agreement;
2. agrees, in favour of all of the other partners of the Partnership, to be bound by all of the terms and conditions of the Partnership Agreement as a limited partner thereunder and such other terms and conditions as may be determined by the General Partner; and
3. agrees that this Agreement to be Bound will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

DATED as of _____.

(Name please print)

By: _____
(Authorized Signature)

(If applicable, Official Capacity/Title of Authorized Signatory – please print)

(If applicable, please print name of individual whose signature appears above if different than name provided above)

EXHIBIT "C"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

Commissioner for Taking Affidavits

Financial Statements of

FRESHSTONE BRANDS INC.

And Independent Auditor's Report thereon

52-week period ended December 28, 2024

**KPMG LLP**

Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Freshstone Brands Inc.

Opinion

We have audited the financial statements of Freshstone Brands Inc. (the Entity), which comprise:

- the statement of financial position as at December 28, 2024
- the statement of operations and deficit for the 52-week period then ended
- the statement of cash flows for the 52-week period then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 28, 2024, and its results of operations and its cash flows for the 52-week period then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Entity has long-term debt which matures within the next 12 months from the balance sheet date. As stated in Note 1 in financial statements, these events or conditions, along with other matters as set forth in Note 1 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect to this matter.



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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature, extending from the left side of the 'K' towards the right.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

August 21, 2025

FRESHSTONE BRANDS INC.

Statement of Financial Position

December 28, 2024, with comparative information for December 31, 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 1,027,489	\$ 11,609
Accounts receivable (note 4)	16,209,953	17,921,233
Inventories (note 5)	15,747,906	17,702,318
Prepaid expenses	636,647	426,368
	<u>33,621,995</u>	<u>36,061,528</u>
Plant and equipment (note 6)	36,079,077	40,173,133
Intangible assets (note 7)	30,379,557	34,569,557
Goodwill	23,074,410	23,074,410
Derivative financial asset (note 9)	73,411	568,645
	<u>\$ 123,228,450</u>	<u>\$ 134,447,273</u>
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 22,773,107	\$ 21,278,135
Current portion of long-term debt (note 9)	37,076,691	5,001,545
Current portion of capital lease obligations (note 10)	230,919	231,007
	<u>60,080,717</u>	<u>26,510,687</u>
Long-term debt (note 9)	—	37,703,666
Capital lease obligations (note 10)	163,552	394,471
Due to Homestyle (note 13)	1,120	800
	<u>164,672</u>	<u>38,098,937</u>
	<u>60,245,389</u>	<u>64,609,624</u>
Shareholder's equity:		
Share capital (note 11)	100,644,165	95,682,555
Deficit	(37,661,104)	(25,844,906)
	<u>62,983,061</u>	<u>69,837,649</u>
Going concern (note 1)		
Commitments (note 15)		
Subsequent events (notes 9 and 13)		
	<u>\$ 123,228,450</u>	<u>\$ 134,447,273</u>

See accompanying notes to financial statements.

FRESHSTONE BRANDS INC.

Statement of Operations and Deficit

52-week period ended December 28, 2024, with comparative information for the year ended December 31, 2023

	2024	2023
Revenue	\$ 172,675,753	\$ 204,020,985
Cost of goods sold:		
Cost of sales (note 5)	152,632,376	183,867,580
Amortization of plant and equipment	6,221,742	6,051,643
	<u>158,854,118</u>	<u>189,919,223</u>
Gross profit	13,821,635	14,101,762
Operating expenses:		
Salaries and wages	10,403,792	12,560,209
Amortization of intangible assets (note 7)	4,190,000	4,182,110
Office	4,152,806	4,266,187
Interest (note 9)	3,731,644	4,288,185
Professional fees	1,434,144	1,235,439
Travel	744,846	674,213
Amortization of deferred financing costs (note 9)	105,881	71,016
Amortization of plant and equipment	585,070	220,794
Loss on disposal of plant and equipment	—	127,743
Loss (gain) on foreign exchange	(235,584)	84,678
	<u>25,112,599</u>	<u>27,710,574</u>
Loss before the undernoted	(11,290,964)	(13,608,812)
Other expenses:		
Transaction costs (note 3)	—	103,377
Facility decommissioning costs	30,000	443,762
Unrealized loss on derivative financial asset (note 9)	495,234	472,950
	<u>525,234</u>	<u>1,020,089</u>
Loss for the period	(11,816,198)	(14,628,901)
Deficit, beginning of period	(25,844,906)	(11,216,005)
Deficit, end of period	<u>\$ (37,661,104)</u>	<u>\$ (25,844,906)</u>

See accompanying notes to financial statements.

FRESHSTONE BRANDS INC.

Statement of Cash Flows

52-week period ended December 28, 2024, with comparative information for the year ended December 31, 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Loss for the period	\$ (11,816,198)	\$ (14,628,901)
Items not involving cash:		
Amortization of plant and equipment	6,806,812	6,272,437
Amortization of intangible assets	4,190,000	4,182,110
Amortization of deferred financing costs	105,881	71,016
Unrealized loss on derivative financial asset	495,234	472,950
Loss on disposal of plant and equipment	–	127,743
Change in non-cash operating working capital:		
Accounts receivable	1,711,280	1,420,722
Inventories	1,954,412	3,278,367
Prepaid expenses	(210,279)	144,159
Accounts payable and accrued liabilities	1,494,972	(4,202,776)
	4,732,114	(2,862,173)
Financing:		
Proceeds from long-term debt	–	2,000,000
Repayment of long-term debt	(5,667,697)	(3,105,196)
Financing costs paid	(66,704)	(36,000)
Repayment of capital lease obligations	(231,007)	(79,911)
Due to Homestyle	320	(440)
Capital contributions	4,961,610	11,518,441
	(1,003,478)	10,296,894
Investments:		
Business acquisition	–	(1,228,881)
Purchase of plant and equipment	(2,712,756)	(7,610,332)
Proceeds on disposal of plant and equipment	–	18,849
	(2,712,756)	(8,820,364)
Increase (decrease) in cash	1,015,880	(1,385,643)
Cash, beginning of period	11,609	1,397,252
Cash, end of period	\$ 1,027,489	\$ 11,609

See accompanying notes to financial statements.

FRESHSTONE BRANDS INC.

Notes to Financial Statements

52-week period ended December 28, 2024

Freshstone Brands Inc. (the "Company") is incorporated under the Canada Business Corporations Act and is primarily engaged in the manufacturing and wholesale distribution of high-quality prepared foods. The Company is a wholly-owned subsidiary of Homestyle Selections LP ("Homestyle").

During the year, the Company changed its year end from December 31 each year to a fiscal period that ends on the last Saturday of the calendar year. As a result, the Company's fiscal year end is usually 52 weeks in duration. The statement of operations and deficit as well as the statement of cash flows reflect the 52-week period ended December 28, 2024 for the Company.

1. **Going concern**

These financial statements have been prepared on a going concern basis in accordance with Canadian accounting standards for private enterprises ("ASPE"). The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has long-term debt in the amount of \$37,076,691 which matures on December 15, 2025. This results in a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern. Management have not yet obtained replacement financing for the maturing debt. The ability of the Company to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business is dependent on its ability to generate sufficient cash inflows through renewal, a new lending facility, or a combination of both. No agreements with potential lenders have been reached yet and there can be no assurance that such agreements will be reached.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, reported revenues and expenses, and the balance sheet classifications used.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

2. Significant accounting policies:

The financial statements are prepared by management in accordance with ASPE. The Company's significant accounting policies are as follows:

(a) Revenue recognition:

Revenue from product sales is recognized in accordance with customer purchase order terms, which is either at the time of shipment or upon delivery of goods when the customer takes ownership, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is determinable. Provision for volume rebates to customers and other adjustments are provided for as a reduction of sales in the period the related sales are recorded.

(b) Inventories:

Inventories consist of raw materials, work in progress, semi-finished and finished goods. Inventories are measured at the lower of cost, determined based on a first-in and first-out basis and net realizable value. Cost includes direct material costs, direct labour costs, and an allocation of variable and fixed processing overhead. The costs are assigned using the standard costing method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Goods in transit are recorded as inventories when the terms specify that the risks of ownership are transferred to the Company at shipping point.

(c) Plant and equipment:

Plant and equipment are stated at historical cost less accumulated amortization. The assets are amortized over their estimated useful lives on a straight-line basis as follows:

Computer hardware and software	2 - 3 years
Furniture and fixtures	5 years
Leasehold improvements	Lesser of term of the lease or 10 - 15 years
Machinery and equipment	7 - 10 years
Vehicles	7 - 10 years

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

2. Significant accounting policies (continued):

Assets attributable to capital projects that are not available for use are held as construction in progress and are not amortized until available for use.

(d) Intangible assets and goodwill:

(i) Intangible assets:

Intangible assets, acquired through a business combination, are initially recognized and measured at fair value. Intangible assets include brands and customer relationships.

Certain brand(s) have an indefinite life and are not amortized. The carrying amount is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may exceed its fair value. An impairment loss is recognized when the asset's carrying amount exceeds its fair value. Impairment losses are not subsequently reversed.

Brands and customer relationships with finite lives are amortized on a straight-line basis over their estimated useful lives of 10 years.

(ii) Goodwill:

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the identifiable assets acquired, less liabilities assumed, based on their acquisition date fair values. Goodwill is allocated, as of the date of the business acquisition, to the Company's reporting units that are expected to benefit from the synergies of the business combination.

Goodwill is not amortized and is tested for impairment whenever changes in circumstances indicate that the carrying value of the reporting unit to which goodwill is assigned may exceed the fair value of the reporting unit. When the carrying amount of a reporting unit, including goodwill, exceeds its fair value, it is considered impaired. An impairment loss is recognized in an amount equal to the excess. Impairment losses are not reversed in future periods.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

2. Significant accounting policies (continued):

(e) Impairment of long-lived assets:

Long-lived assets, including plant and equipment and intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, it is considered impaired. An impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Company uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

(f) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange at the statement of financial position date. Non-monetary assets and liabilities are translated at historic exchange rates. Revenue and expenses are translated at the average rates of exchange during the period. Realized and unrealized exchange gains and losses are included in loss for the period.

(g) Income taxes:

The Company uses the income taxes payable method to account for income taxes, whereby the expense (income) for the period consists only of the cost (benefit) of current income taxes for the period, determined in accordance with the rules established by taxation authorities.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Company has not elected to carry any such financial instruments at fair value.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

2. Significant accounting policies (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the period if there are indicators of impairment. If there is an indicator of impairment, the Company determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Company expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

(i) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

(j) Asset retirement obligation:

The Company recognizes a future asset retirement obligation as a liability in the year in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development, and/or normal use of the assets based on management's best estimate of the expenditure required to settle the obligation. The Company concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

2. Significant accounting policies (continued):

(k) Use of estimates:

The preparation of the financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

3. Business acquisition:

On March 17, 2023, certain assets of Kingsway Food Ltd. were purchased by the Company for consideration of \$1,228,881.

Transaction costs of \$103,377 were expensed by the Company in connection with the acquisition.

The acquisition has been accounted for using the acquisition method, whereby the purchase price is allocated to the net assets acquired based on their fair value as follows:

Assets acquired:	
Inventories	\$ 328,881
Plant and equipment (i)	800,000
Goodwill	100,000
<hr/>	
Total consideration	\$ 1,228,881
<hr/>	
Represented by:	
Cash consideration	\$ 1,228,881

(i) Plant and equipment were recognized at fair value as at the acquisition date. Included in the above noted amount was a fair value adjustment of approximately \$440,000 to the sellers' carrying value.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

4. Accounts receivable:

	2024	2023
Accounts receivable	\$ 16,498,305	\$ 18,209,585
Less allowance for doubtful accounts	288,352	288,352
	<u>\$ 16,209,953</u>	<u>\$ 17,921,233</u>

5. Inventories:

	2024	2023
Raw materials	\$ 8,972,207	\$ 11,530,610
Work in progress	678,689	282,776
Finished goods	6,097,010	5,888,932
	<u>\$ 15,747,906</u>	<u>\$ 17,702,318</u>

The cost of inventories recognized as expense during the 52-week period ended December 28, 2024 was \$143,268,961 (2023 - \$170,850,232).

6. Plant and equipment:

	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware and software	\$ 1,055,364	\$ 838,660	\$ 216,704	\$ 336,296
Furniture and fixtures	100,328	72,333	27,995	5,464,004
Leasehold improvements	5,026,702	1,433,194	3,593,508	3,401,665
Machinery and equipment	54,535,897	24,624,509	29,911,388	27,702,411
Vehicles	67,995	67,995	-	930
Construction in progress	2,329,482	-	2,329,482	3,267,827
	<u>\$ 63,115,768</u>	<u>\$ 27,036,691</u>	<u>\$ 36,079,077</u>	<u>\$ 40,173,133</u>

During the 52-week period ended December 28, 2024, plant and equipment was acquired at an aggregate cost of \$2,712,756 (2023 - \$8,410,332), including nil (2023 - \$800,000) acquired as part of the acquisition described in note 3.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

7. Intangible assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Brands	\$ 9,300,000	\$ 1,116,492	\$ 8,183,508	\$ 8,483,508
Customer relationships	38,900,000	16,703,951	22,196,049	26,086,049
	<u>\$ 48,200,000</u>	<u>\$ 17,820,443</u>	<u>\$ 30,379,557</u>	<u>\$ 34,569,557</u>

Customer relationships and brands were acquired as part of business acquisitions. Amortization for the period was \$4,190,000 (2023 - \$4,182,110) and is included in the statement of operations and deficit.

8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$400,689 (2023 - \$493,545), relating to federal and provincial sales taxes, payroll taxes, and workers' safety insurance.

9. Long-term debt:

	2024	2023
Term Loan Facility - a non-revolving Term Loan Facility in the amount of \$44,471,906	\$ 37,136,513	\$ 42,804,210
Less deferred financing fees, net of accumulated amortization of \$313,132 (2023 - \$207,251)	59,822	98,999
	<u>37,076,691</u>	<u>42,705,211</u>
Less current portion	37,076,691	5,001,545
	<u>\$ —</u>	<u>\$ 37,703,666</u>

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

9. Long-term debt (continued):

On April 9, 2020 (as amended and restated on April 15, 2021, July 29, 2022, May 31, 2023, January 26, 2024 and September 10, 2024), the Company entered into a credit agreement with Canadian Imperial Bank of Commerce as the Administrative Agent, Lead Arranger and Sole Bookrunner (the "Credit Agreement"). As at year end, the Credit Agreement consists of the following facilities:

- **Revolving Facility** - The amount available under the Revolving Facility shall not exceed the Aggregate Revolving Commitment, which is \$5,000,000 (2023 - \$7,000,000) inclusive of the Swingline Facility. The Revolving Facility shall include a Swingline Facility in an amount equal to the Swingline Commitment, which is \$5,000,000 (2023 - \$7,000,000). Advances under the Revolving Facility and the Swingline Facility shall only be used for working capital and other general corporate purposes. As at December 28, 2024, no amounts were drawn on the Revolving Facility or the Swingline Facility.
- **Term Loan Facility** - A non-revolving Term Loan Facility in the amount of \$44,471,906 (2023 - \$44,471,906) bearing interest at banker's acceptance determined rates and is repayable in quarterly payments of 1.250% of the principal up to March 31, 2024, 1.875% up to September 30, 2024, \$750,000 on October 31, 2024 and November 30, 2024, and 1.875% up to December 28, 2024. The remaining amount outstanding is due at the Maturity Date which is April 9, 2025. Advances under the Term Loan Facility were designated to finance business acquisitions and related fees and expenses. As at December 28, 2024, \$37,136,513 (2023 - \$42,804,210) was outstanding on the Term Loan Facility.
- **Delayed Draw Facility** - A non-revolving Term Loan Facility in the amount of \$10,000,000 (2023 - \$10,000,000) bearing interest at banker's acceptance rates. Advances under the Delayed Draw Facility shall only be used to finance Permitted Acquisitions, as defined in the Credit Agreement including contingent considerations, Earn Out Obligations and any related fees and expenses as well as Capital Expenditures. During 2023, the Company drew an additional \$2,000,000 on the Delayed Draw Facility. On May 31, 2023, the entirety of the then-outstanding principal balance of the Delayed Draw Facility, amounting to \$28,781,250, was transferred to the Term Loan Facility.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

9. Long-term debt (continued):

As permitted under the terms of the Credit Agreement, the Company entered into Interest Rate Hedging Agreement in connection with the Term Loan Facility. The use of the Interest Rate Hedging Agreement effectively enables the Company to convert the floating interest rate obligation of the debt into a fixed rate obligation which helps to manage its exposure to interest rate risk. On June 24, 2020, the Company entered into an Interest Rate Swap Agreement for a notional amount of \$26,662,500. Under the terms of the Interest Rate Swap Agreement, the Company agrees with the counter-party to exchange, at specified intervals and for a specified period, its floating interest rate for a fixed interest of 0.801% per annum. As at December 28, 2024, the fair value of the Interest Rate Swap was an asset of \$73,411 (2023 - \$568,645).

The Credit Agreement is secured by a general security agreement constituting a first-priority Encumbrance on all Equity Interests and all present and future property; an assignment of all proceeds under the Company's insurance policies and a limited recourse guarantee from Homestyle.

During the period, the Company incurred financing costs relating to the amendment in the amount of \$66,704 (2023 - \$36,000), which have been capitalized to the statement of financial position.

Interest expense, inclusive of banker's acceptance fees and CORRA interest, on long-term debt and capital lease obligations for the 52-week period ended December 28, 2024 was \$3,731,644 (2023 - \$4,288,185).

Principal payments due on long-term debt are as follows:

2025	\$ 37,136,513
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Under the terms of the Credit Agreement, the Company must satisfy certain financial and non-financial covenants. As at the compliance reporting dates June 30, 2024, November 30, 2024, December 28, 2024, January 31, 2025, February 28, 2025 and March 31, 2025, the Company was not in compliance with the financial covenants which represent the Events of Default under the terms of the Credit Agreement.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

9. Long-term debt (continued):

As part of the September 10, 2024 amendment, the Company obtained a waiver for the June 2024 Event of Default.

Subsequent to year end on April 17, 2025, the Company entered into an amendment to the Credit Agreement which waived the November 30, 2024, December 28, 2024, January 31, 2025, February 28, 2025 and March 31, 2025 Events of Default and extended the maturity date of the Credit Agreement to April 9, 2026. On July 10, 2025, the Company entered into an additional amending agreement which accelerated the maturity date from April 9, 2026 to December 15, 2025, deferred the June 30, 2025 scheduled repayment and also amended the covenant requirements for the compliance reporting periods July 2025 to November 2025.

10. Capital lease obligations:

The Company has financed machinery and equipment by entering into capital lease arrangements. Capital lease repayments are due as follows:

2025	\$ 252,091
2026	168,060
<hr/>	
Total minimum lease payments	420,151
Less amount representing interest (at 7.30% per annum)	25,680
<hr/>	
Present value of net minimum capital lease payments	394,471
Less current portion	230,919
<hr/>	
	\$ 163,552

Interest expense on the capital lease obligations amounted to \$37,292 (2023 - \$234,697) and is included in the interest expense on the statement of operations and deficit.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

11. Share capital:

	2024	2023
Authorized:		
Unlimited common shares		
5,494,652 exchangeable shares		
Issued:		
1,000 common shares (a)	\$ 92,651,052	\$ 87,689,442
5,494,652 exchangeable shares (b)	7,993,113	7,993,113
	\$ 100,644,165	\$ 95,682,555

(a) Upon incorporation in 2020, the Company issued 1,000 common shares to Homestyle for an aggregate subscription price of \$30,833,000.

In 2021, Homestyle increased its paid up capital on the outstanding 1,000 common shares by way of a cash injection of \$45,338,001. The directors of the Company passed a resolution approving the increase of the stated capital of the 1,000 common shares.

In 2023, Homestyle increased its paid up capital on the outstanding 1,000 common shares by way of a cash injection of \$11,518,441. The directors of the Company passed a resolution approving the increase of the stated capital of the 1,000 common shares.

In 2024, Homestyle increased its paid up capital on the outstanding 1,000 common shares by way of cash injection of \$4,961,610. The directors of the Company passed a resolution approving the increase of the stated capital of the 1,000 common shares.

Each common share is entitled to one vote at shareholder meetings.

(b) In connection with the business acquisition of Kitchen Partners Limited, which occurred in fiscal 2021, 5,494,652 exchangeable shares were issued to the vendors as part of the purchase price consideration. In accordance with the terms of the agreement, the shares can only be realized upon a liquidity event of the Company or retraction by the vendors upon acceptance by the Company at which point they are convertible into 5,494,652 LP units of Homestyle.

Subsequent to year end, on March 3, 2025 and April 17, 2025, Homestyle increased its paid up capital on the outstanding 1,000 common shares by \$5,009,870 in aggregate. The directors of the Company passed resolutions approving the increase of the stated capital of the 1,000 common shares.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

12. Income taxes:

The reconciliation of income taxes calculated at the statutory rate of 26.5% (2023 - 26.5%) to the actual provision is as follows:

	2024	2023
Loss before income taxes	\$ (11,816,198)	\$ (14,628,901)
Expected income tax recovery at the combined tax rate 26.5% (2023 - 26.5%)	\$ (3,131,292)	\$ (3,876,659)
Decrease (increase) in income tax recovery resulting from:		
Non-deductible expenses	78,230	55,865
Capital cost allowance shortfall of amortization	1,853,419	132,073
Unrealized losses	131,237	125,332
Rent adjustments for accounting purposes	60,080	122,410
Non-deductible reserves	12,840	60,151
Other	(68,587)	(1,335)
Unapplied non-capital losses carried forward	384,998	3,382,163
Restricted interest and financing expenses	679,075	-
Income tax expense	\$ -	\$ -

At December 28, 2024, the Company has net operating losses carried forward for income tax purposes of \$36,620,934 (2023 - \$35,190,512), which are available to offset future taxable income.

13. Related party transactions:

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

In 2022, members of the Company's Executive Leadership team subscribed into 1,240 Class B Units of Homestyle for \$1 per Class B Unit. The Class B Units become vested upon Homestyle achieving certain financial targets, or upon a liquidity event. When the Class B Units are vested, the Class B Unit holders are entitled to distributions from Homestyle, at which time, the Company will recognize compensation costs. The subscription price of \$1,240 in aggregate was paid to the Company and, therefore, represented a due to Homestyle.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

13. Related party transactions (continued):

In 2023, the Homestyle repurchased 440 Class B Units from members of its Executive Leadership team for \$440 in aggregate which was paid by the Company. During 2024, Homestyle issued an additional 320 Class B Units to a new member of the Company's Executive Leadership team for \$320 which received by the Company. Subsequent to year end, on January 20, 2025, Homestyle repurchased 320 Class B Units from a member of its Executive Leadership team for consideration of \$320 which was paid by the Company.

14. Financial risks:

The Company is exposed to varying degrees of financial risks. The type of risk exposure and the way in which such exposures are managed is provided below:

(a) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial obligations as they become due. The Company's growth is financed through a combination of the cash flow from operations, equity investments from its shareholder and borrowing from the external lenders. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities and maintaining credit facilities to ensure it has sufficient funds available to meet current and foreseeable financial requirements.

The Company has reported to its lender that it was not in compliance with certain financial covenants in accordance with the terms of the Agreement (note 9), which represents events of default. In addition, the Company recorded a loss for the period in the amount of (\$11,816,108) (2023 - (\$14,628,901)) and has an accumulated operating deficit of (\$37,661,104). The ability of the Company to generate sufficient profit and to maintain the support of its lender represents a liquidity risk.

(b) Credit risk and concentration of credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Company deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. In order to reduce this credit risk, the Company has credit procedures in place, whereby analyses are performed to control the granting of credit to any high risk customers and periodic evaluations are made of the financial condition of customers.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

14. Financial risks (continued):

The Company sells its products to many customers. For the 52-week period ended December 28, 2024, approximately 57% (2023 - 58%) of the Company's sales were derived from three customers (2023 - three customers) that individually comprise 9% or more of the Company's revenue. These customers comprise approximately 44% (2023 - 40%) of the accounts receivable as at the period end.

There has been no change to the risk exposure from 2023.

(c) Interest rate risk:

The Company's Credit Agreement (note 9) has variable interest rates based on banker's acceptance determined rates. As a result, the Company is exposed to interest rate risk due to fluctuations in these rates. The Company manages its variable interest rate risk related to the Term Loan Facility by entering into an Interest Rate Swap Agreement. The Interest Rate Swap effectively enables the Company to convert the floating rate risk obligations of the Term Facility into fixed rate obligations and thus, manage its exposures (note 9).

There has been a change to the risk exposure on the Term Loan Facility from 2023 as a result of the Bank of Canada decreasing interest rates. This has resulted in a decrease in the prime rate from 7.20% to 5.45% during the period.

(d) Foreign exchange risk:

The Company is subject to foreign exchange risk because a portion of the Company's business is transacted in United States dollars. The amount of net risk fluctuates in the normal course of business, as transactions are concluded.

There has been no change to the risk exposure from 2023.

FRESHSTONE BRANDS INC.

Notes to Financial Statements (continued)

52-week period ended December 28, 2024

15. Commitments:

Operating leases:

The Company is committed to minimum annual lease payments under operating leases as follows:

2025	\$ 4,167,715
2026	3,611,443
2027	3,262,045
2028	2,993,304
2029	3,085,770
Thereafter	9,359,375
	\$ 26,479,652

16. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year. This has no impact on the Company's assets, liabilities, shareholder's equity and loss for the period in the current or prior year.

EXHIBIT "D"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

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Commissioner for Taking Affidavits

Freshstone Brands Inc

CONSOLIDATED STATEMENT 2025

STATEMENT OF INCOME - MTD & YTD Overview

P12 - December 2025

MTD Actual 2025		MTD Actual 2024		Act. 2025 vs. Act. 2024		\$000 \$000		YTD Actual 2025		YTD Actual 2024		Act. 2025 vs. Act. 2024	
	% Rev		% Rev	VAR \$	VAR %	MTD YTD			% Rev		% Rev	VAR \$	VAR %
2,837		2,817		20	0.7%	Volume ('000 KG)		35,226		32,906		2,320	7.0%
\$15,176	100.0%	\$15,339	100.0%	(\$164)	(1.1%)	Gross Sales Revenue		\$179,476	100.0%	\$184,835	100.0%	(\$5,359)	(2.9%)
(\$2,960)	(19.5%)	(\$1,383)	(9.0%)	(\$1,577)	114.0%	Discounts & Rebates		(\$15,053)	(8.4%)	(\$12,160)	(6.6%)	(\$2,893)	23.8%
\$12,216	80.5%	\$13,956	91.0%	(\$1,740)	(12.5%)	Net Revenue		\$164,423	91.6%	\$172,676	93.4%	(\$8,252)	(4.8%)
\$11,209	73.9%	\$8,979	58.5%	(\$2,230)	(24.8%)	Direct Cost - Materials		\$98,935	55.1%	\$91,452	49.5%	(\$7,483)	(8.2%)
\$1,374	9.1%	\$1,164	7.6%	(\$210)	(18.0%)	Direct Cost - Labor		\$16,694	9.3%	\$14,481	7.8%	(\$2,214)	(15.3%)
\$841	5.5%	\$1,446	9.4%	\$605	41.8%	Direct Cost - Outbound Freight		\$10,282	5.7%	\$11,003	6.0%	\$722	6.6%
\$13,185	86.9%	\$11,588	75.5%	\$1,596	13.8%	Direct Costs, Total		\$125,672	70.0%	\$116,936	63.3%	\$8,736	7.5%
(\$969)	(6.4%)	\$2,368	15.4%	(\$3,337)	(140.9%)	Direct Profit		\$38,751	21.6%	\$55,740	30.2%	(\$16,988)	(30.5%)
(7.9%)		17.0%		(24.9%)		Direct Profit % of Net Revenue		23.6%		32.3%		(8.7%)	
\$1,181	7.8%	\$1,229	8.0%	\$47	3.9%	Factory OH - Labor		\$14,003	7.8%	\$13,716	7.4%	(\$287)	(2.1%)
\$353	2.3%	\$323	2.1%	(\$31)	(9.6%)	Factory OH - Occupancy - Rent		\$4,307	2.4%	\$4,293	2.3%	(\$14)	(0.3%)
\$590	3.9%	\$626	4.1%	\$36	5.7%	Factory OH - Occupancy - Utilities		\$6,958	3.9%	\$6,520	3.5%	(\$439)	(6.7%)
\$369	2.4%	\$300	2.0%	(\$68)	(22.8%)	Factory OH - Other		\$2,926	1.6%	\$2,902	1.6%	(\$24)	(0.8%)
\$621	4.1%	\$447	2.9%	(\$174)	(39.0%)	Factory OH - Supplies/R&M		\$5,786	3.2%	\$5,256	2.8%	(\$530)	(10.1%)
\$266	1.8%	\$218	1.4%	(\$48)	(22.1%)	Factory OH - Storage		\$2,931	1.6%	\$3,010	1.6%	\$79	2.6%
\$3,619	23.8%	\$3,142	20.5%	(\$477)	(15.2%)	Factory Overhead, Total		\$37,149	20.7%	\$35,696	19.3%	(\$1,453)	(4.1%)
\$16,804	110.7%	\$14,731	96.0%	(\$2,073)	(14.1%)	Cost of Sale, Total		\$162,822	90.7%	\$152,632	82.6%	(\$10,189)	(6.7%)
137.6%		105.5%		(32.0%)		COGS % of Net Revenue		99.0%		88.4%		(10.6%)	
(\$4,588)	(30.2%)	(\$774)	(5.0%)	(\$3,814)	492.4%	Gross Profit		\$1,602	0.9%	\$20,043	10.8%	(\$18,441)	(92.0%)
(37.6%)		(5.5%)		(32.0%)		Gross Profit % of Net Revenue		1.0%		11.6%		(10.6%)	
\$822	5.4%	\$825	5.4%	\$3	0.4%	Salaries & Benefits		\$10,351	5.8%	\$10,404	5.6%	\$52	0.5%
\$143	0.9%	\$125	0.8%	(\$19)	(15.0%)	Marketing & Sales		\$1,759	1.0%	\$1,970	1.1%	\$210	10.7%
\$3,195	21.1%	\$380	2.5%	(\$2,815)	(740.4%)	Other Operating Costs		\$7,794	4.3%	\$3,937	2.1%	(\$3,857)	(98.0%)
\$4,161	27.4%	\$1,330	8.7%	(\$2,830)	(212.8%)	SG&A		\$19,905	11.1%	\$16,311	8.8%	(\$3,594)	(22.0%)
(\$8,749)	(57.7%)	(\$2,105)	(13.7%)	(\$6,644)	315.7%	EBITDA		(\$18,303)	(10.2%)	\$3,733	2.0%	(\$22,035)	(590.3%)

(71.6%)		(15.1%)		(56.5%)	
\$830	5.5%	\$1,575	10.3%	\$744	47.3%
\$491	3.2%	\$214	1.4%	(\$276)	(128.8%)
\$	0.0%	\$	0.0%	\$	-
\$	0.0%	\$	0.0%	\$	-
\$	0.0%	\$	0.0%	\$	-
(\$10,070)	(66.4%)	(\$3,894)	(25.4%)	\$6,176	(158.6%)
(82.4%)		(27.9%)		(54.5%)	

\$419	2.8%	(\$84)	(0.5%)	\$503	
(\$8,330)	(54.9%)	(\$2,188)	(14.3%)	(\$6,141)	
(68.2%)		(15.7%)		(52.5%)	
(7.8%)		(5.0%)		59.8%	

EBITDA % (Net Revenue)	(11.1%)		2.2%		(13.3%)	
Dep., Amort. & Taxes	\$11,552	6.4%	\$11,628	6.3%	\$76	0.7%
Interests	\$3,466	1.9%	\$3,732	2.0%	\$266	7.1%
Gain/Loss on Sale of Asset	\$	0.0%	\$	0.0%	\$	-
Management Fees	\$	0.0%	\$	0.0%	\$	-
Transaction Fees	\$	0.0%	\$189	0.1%	\$189	100.0%
Net Income	(\$33,320)	(18.6%)	(\$11,816)	(6.4%)	\$21,504	(182.0%)
Net Income % (Net Revenue)	(20.3%)		(6.8%)		(13.4%)	

EBITDA Adjustments

Credit Agreement Add Backs	\$2,657	1.5%	\$1,230	0.7%	\$1,428	
Adjusted EBITDA I	(\$15,645)	(8.7%)	\$4,962	2.7%	(\$20,608)	
Adjusted EBITDA I % (Net Revenue)	(9.5%)		2.9%		(12.4%)	
<i>Adjusted EBITDA II % (Net Revenue)</i>	(0.0%)		4.5%		59.0%	

Freshstone Brands Inc

CONSOLIDATED STATEMENT 2025

STATEMENT OF INCOME - MTD & YTD Overview

P12 - December 2025

MTD Actual 2025		MTD Actual 2024		Act. 2025 vs. Act. 2024	
	% Rev		% Rev	VAR \$	VAR %
2,837		2,817		20	0.7%
\$15,176	100.0%	\$15,339	100.0%	(\$164)	(1.1%)
(\$1,340)	(8.8%)	(\$1,383)	(9.0%)	\$43	(3.1%)
\$13,835	91.2%	\$13,956	91.0%	(\$121)	(0.9%)
\$8,474	55.8%	\$8,979	58.5%	(\$504)	(5.6%)
\$1,374	9.1%	\$1,164	7.6%	\$210	18.0%
\$834	5.5%	\$1,446	9.4%	(\$611)	(42.3%)
\$10,682	70.4%	\$11,588	75.5%	(\$906)	(7.8%)
\$3,153	20.8%	\$2,368	15.4%	\$785	33.2%
22.8%		17.0%		5.8%	
\$1,181	7.8%	\$1,229	8.0%	(\$47)	(3.9%)
\$353	2.3%	\$323	2.1%	\$31	9.6%
\$590	3.9%	\$626	4.1%	(\$36)	(5.7%)
\$369	2.4%	\$300	2.0%	\$68	22.8%
\$621	4.1%	\$447	2.9%	\$174	39.0%
\$266	1.8%	\$218	1.4%	\$48	22.1%
\$3,381	22.3%	\$3,142	20.5%	\$238	7.6%
\$14,063	92.7%	\$14,731	96.0%	(\$668)	(4.5%)
101.6%		105.5%		(3.9%)	
(\$228)	(1.5%)	(\$774)	(5.0%)	\$547	(70.6%)
(1.6%)		(5.5%)		3.9%	
\$759	5.0%	\$825	5.4%	(\$66)	(8.1%)
\$143	0.9%	\$125	0.8%	\$19	15.0%
\$542	3.6%	\$380	2.5%	\$162	42.7%
\$1,445	9.5%	\$1,330	8.7%	\$114	8.6%
(\$1,673)	(11.0%)	(\$2,105)	(13.7%)	\$432	(20.5%)

\$000	\$000
MTD YTD	
Volume ('000 KG)	
Gross Sales Revenue	
Discounts & Rebates	
Net Revenue	
Direct Cost - Materials	
Direct Cost - Labor	
Direct Cost - Outbound Freight	
Direct Costs, Total	
Direct Profit	
Direct Profit % of Net Revenue	
Factory OH - Labor	
Factory OH - Occupancy - Rent	
Factory OH - Occupancy - Utilities	
Factory OH - Other	
Factory OH - Supplies/R&M	
Factory OH - Storage	
Factory Overhead, Total	
Cost of Sale, Total	
COGS % of Net Revenue	
Gross Profit	
Gross Profit % of Net Revenue	
Salaries & Benefits	
Marketing & Sales	
Other Operating Costs	
SG&A	
EBITDA	

One time adjustments	
Bad Debt provision	2,738,785
Customer Claim provision	1,619,345
Inventory Provision & Adjustments	2,648,292
Various	69,787
	7,076,209

(12.1%)		(15.1%)		3.0%	
\$830	5.5%	\$1,575	10.3%	(\$744)	(47.3%)
\$491	3.2%	\$214	1.4%	\$276	128.8%
\$	0.0%	\$	0.0%	\$	0.0%
\$	0.0%	\$	0.0%	\$	0.0%
\$	0.0%	\$	0.0%	\$	0.0%
(\$2,994)	(19.7%)	(\$3,894)	(25.4%)	\$900	(23.1%)
(21.6%)		(27.9%)		6.3%	

\$419	2.8%	(\$84)	(0.5%)	\$503	
(\$1,253)	(8.3%)	(\$2,188)	(14.3%)	\$935	
(9.1%)		(15.7%)		6.6%	

(\$929)	(7.1%)	(\$581)	(4.5%)	(\$348)	
(7.8%)		(5.0%)		59.8%	

EBITDA % (Net Revenue)
 Dep., Amort. & Taxes
 Interests
 Gain/Loss on Sale of Asset
 Management Fees
 Transaction Fees
Net Income
 Net Income % (Net Revenue)

EBITDA Adjustments

Credit Agreement Add Backs
Adjusted EBITDA I
 Adjusted EBITDA I % (Net Revenue)

Adjusted EBITDA II
 Adjusted EBITDA II % (Net Revenue)

Freshstone Brands Inc

CONSOLIDATED STATEMENTS

STATEMENT OF FINANCIAL POSITION

P12 - December 2025

Amounts in \$000	Actual 2025	Prior Year	Actual vs. Prior Year	
			VAR \$	VAR %
ASSETS				
Current Assets				
Cash	(\$2,941)	\$1,027	(\$3,969)	(386.3%)
Accounts Receivable	\$12,527	\$16,210	(\$3,683)	(22.7%)
Intercompany	\$	\$	\$	
Inventory	\$14,084	\$15,748	(\$1,664)	(10.6%)
Deposits & Prepaids	\$675	\$617	\$58	9.5%
Income Tax	\$7	\$	\$7	
Total Current Assets	\$24,351	\$33,602	(\$9,251)	(27.5%)
Long Term Assets				
Tangible Fixed Assets (Net)	\$32,480	\$36,079	(\$3,599)	(10.0%)
Intangible Assets	\$25,506	\$29,566	(\$4,060)	(13.7%)
Investment	\$	\$	\$	
Other Assets & Goodwill	\$23,778	\$23,908	(\$130)	(0.5%)
Total Long Term Assets	\$81,764	\$89,553	(\$7,789)	(8.7%)
TOTAL ASSETS	\$106,116	\$123,155	(\$17,039)	(13.8%)
LIABILITIES				
Current Liabilities				

Accounts Payable	\$26,430	\$18,410	\$8,020	43.6%
Accrued Liabilities	\$6,553	\$4,391	\$2,162	49.2%
Income Tax	\$	\$	\$	
Current Portion LT Debt	\$	\$37,137	(\$37,137)	(100.0%)
Intercompany	(\$279)	\$28	(\$251)	879.7%
Total Current Liabilities	\$32,704	\$59,910	(\$27,206)	(45.4%)
Long Term Liabilities				
Long Term Debt	\$35,597	\$335	\$35,263	10537.3%
Other LT Debt	\$	(\$73)	\$73	-100.0%
Total Long Term Liabilities	\$35,597	\$261	\$35,336	13,526.5%
EQUITY				
Equity	\$108,794	\$100,644	\$8,150	8.1%
Retained Earnings	(\$36,290)	(\$24,474)	(\$11,816)	48.3%
Net Income	(\$34,690)	(\$13,186)	(\$21,504)	163.1%
Total Equity	\$37,814	\$62,984	(\$25,170)	(40.0%)
TOTAL LIABILITIES & EQUITY	\$106,116	\$123,155	(\$17,039)	(13.8%)

Freshstone Brands Inc

CONSOLIDATED ACTUAL 2025

STATEMENT OF CASH FLOW

P12 - December 2025

Amounts in \$000	P12	YTD 2025
Operating Activities		
Net Income	(\$10,070)	(\$33,320)
Internal Adjustments	\$152	\$2
Adjustments Non-Cash Items	\$830	\$11,552
Changes in Operating Activities		
Assets - Accounts Receivable	\$4,729	\$3,683
Assets - Inventory	\$3,877	\$1,664
Assets - Deposits & Prepaids	(\$362)	(\$58)
Liabilities - Accounts Payable	\$732	\$8,018
Liabilities - Accrued Liabilities	\$1,085	\$2,162
Assets/Liabilities - Income Tax	\$	(\$7)
Assets/Liabilities - Intercompany	(\$24)	(\$251)
Net Cash from Operating Activities	\$950	<b style="color: red;">(\$6,555)
Investing Activities		
Purchases of Property & Equipment	(\$286)	(\$3,555)
Disposals of Property & Equipment	\$	\$

Purchases of Investment	\$	\$
Net Cash from Investing Activities	(\$286)	(\$3,555)
Financing Activities		
Long-Term Debt	(\$19)	\$35,128
Current Portion of LT Debt	\$	(\$37,137)
Cash infusion from shareholders	\$	\$8,150
Net Cash from Financing Activities	(\$19)	\$6,142
Net Cash	\$645	(\$3,968)
Cash - Beginning of the Period	(\$3,587)	\$1,027
Growth Cash	\$	\$
Cash - End of the Period	(\$2,941)	(\$2,941)
	-3,586,884	
	0	

EXHIBIT "E"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:



Commissioner for Taking Affidavits

FRESHSTONE BRANDS INC

Balance Sheet¹¹⁶

Consolidated - Including Edmonton

	P01FY26 ACTUALS	P02FY26 ACTUALS	P03FY26 ACTUALS
ASSETS			
Current Assets			
Cash	(3 474 621)	(3 821 880)	427 810
Accounts Receivable	12 080 605	11 356 663	10 692 070
Intercompany	0	0	0
Inventory	13 656 267	13 871 759	12 921 777
Deposits & Prepaids	885 016	926 900	729 412
Income Tax	6 890	6 890	(0)
Total Current Assets	23 154 158	22 340 333	24 771 068
Long Term Assets			
Tangible Fixed Assets (Net)	32 469 349	32 107 538	31 599 154
Intangible Assets	25 167 299	24 828 966	24 490 633
Investment	0	0	0
Other Assets & Goodwill	693 091	682 258	671 425
Total Long Term Assets	58 329 740	57 618 762	56 761 211
TOTAL ASSETS	\$81 483 898	\$79 959 095	\$81 532 279
LIABILITIES			
Current Liabilities			
Accounts Payable	25 800 995	26 361 175	27 155 444
Accrued Liabilities	7 068 723	7 563 281	7 938 450
Other Short Term Debt	3 282 782	3 303 869	3 325 302
Current Portion LT Debt	0	0	4 438 659
Intercompany	(279 997)	(531 144)	(710 105)
Total Current Liabilities	35 872 503	36 697 180	42 147 749
Long Term Liabilities			
Long Term Debt	35 577 455	35 557 320	35 562 064
Other LT Debt	0	0	0
Total Long Term Liabilities	35 577 455	35 557 320	35 562 064
EQUITY			
Equity	105 644 195	105 644 195	105 644 195
Retained Earnings	(92 523 913)	(92 523 913)	(92 523 913)
Net Income	(3 086 342)	(5 415 687)	(9 297 816)
Total Equity	10 033 940	7 704 595	3 822 466
TOTAL LIABILITIES & EQUITY	\$81 483 898	\$79 959 095	\$81 532 279

EXHIBIT "F"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

Commissioner for Taking Affidavits

Corporation income tax - RC0004

Return balances

As of June 1, 2026

Non-capital loss balance

[Learn more](#)

Balance (as of current date): \$36,558,756.00

Capital loss balance

[Learn more](#)

Balance (as of current date): \$0.00

Eligible refundable dividend tax on hand balance (ERDTH)

[Learn more](#)

Tax year-end: December 31, 2024

ERDTH at the end of the tax year: \$0.00

Eligible dividend refund for the tax year: \$0.00

Non-eligible refundable dividend tax on hand balances (NERDTH)

[Learn more](#)

Tax year-end: December 31, 2024

NERDTH at the end of the tax year: \$0.00

Other than eligible dividend refund: \$0.00

General rate income pool balances (GRIP)

[Learn more](#)

Tax year-end: December 31, 2024

GRIP at the end of the tax year: \$0.00

Eligible dividends paid in the tax year: \$0.00

Excessive eligible dividend designations made in the tax year: \$0.00

EXHIBIT "G"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:



Commissioner for Taking Affidavits

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Canadian Imperial Bank of Commerce

Trade Finance Centre
595 Bay Street, 7th Floor
Toronto, ON M5G 2M8
Tel: 1-800-268-6331
Fax: 416-217-8583
SWIFT: CIBCCATT

**Irrevocable
Standby Letter of Credit No.:
SBGT134831**

Beneficiary:

Food Processors Affiliation Canada
Inc.
14964 - 121A Avenue NW, Suite 100
Edmonton, AB T5V 1A3 Canada

Applicant:

Freshstone Brands Inc.
350 Creditstone Rd
Concord, ON L4K 3Z2 Canada

Date of Issue:

September 08, 2021

Date and Place of Expiry:

June 30, 2022 Toronto

Amount:

CAD 65,000.00 Sixty Five Thousand Canadian Dollars

We, Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8 ("CIBC"), at the request of the above-mentioned Applicant, hereby issue in favour of Food Processors Affiliation Canada Inc. (the "Beneficiary") this Irrevocable Standby Letter of Credit for the above-mentioned amount.

This Standby Letter of Credit is available for payment upon receipt by CIBC at its above noted address of the Beneficiary's dated and signed written demand, addressed to CIBC and completed as follows: "We, the undersigned Food Processors Affiliation Canada Inc., hereby demand payment of the sum of CAD..... (..... Canadian Dollars) under Canadian Imperial Bank of Commerce Standby Letter of Credit No. SBGT134831 and certify that Freshstone Brands Inc. has failed to fulfill its obligations pursuant to the terms of an agreement between us and Freshstone Brands Inc. relating to cover any potential Accounts Receivable issues between Food Processors Affiliation Canada Inc. suppliers and Kitchen Partners Limited."

Partial drawings are permitted hereunder.

This Standby Letter of Credit shall be reduced automatically, by the amount of each drawing paid hereunder and/or by amendment, by the amount of reduction that may be authorized by the Beneficiary from time to time by their signed written request given to CIBC.



Canadian Imperial Bank of Commerce

CIBC hereby agrees that it will honour the Beneficiary's demand for payment, presented in compliance with the terms of this Standby Letter of Credit, without enquiring whether the Beneficiary has a right as between itself and the Applicant to make such demand, and without recognizing any claim of the said Applicant.

This Standby Letter of Credit will expire on the above-mentioned expiry date, subject to the following condition:

It is a condition of this Standby Letter of Credit that it shall be deemed to be automatically extended without amendment for one year periods from the present or any future expiration date hereof, unless at least ninety (90) days prior to any such expiration date, CIBC notifies the Beneficiary in writing by registered mail or courier that CIBC elects not to consider this Standby Letter of Credit renewed for such further period.

Notwithstanding the expiration date and the condition above, this Standby Letter of Credit shall be cancelled effective the date of receipt by CIBC of the original Standby Letter of Credit instrument and a dated letter addressed to CIBC, signed by the Beneficiary, referencing this Standby Letter of Credit number and requesting the cancellation of same.


The Beneficiary may from time to time advise CIBC of the Beneficiary's address by letter to CIBC at CIBC's address stated above, dated and signed by the Beneficiary and quoting this Standby Letter of Credit number. Any notice by CIBC to the Beneficiary regarding this Standby Letter of Credit shall be adequately given if sent by registered mail or courier to the last address so advised, or if no address has been so advised, then to the address of the Beneficiary stated above.

This Standby Letter of Credit is subject to International Standby Practices 1998, International Chamber of Commerce Publication no. 590 ("ISP98") and engages us in accordance with the terms thereof.

Regards,

Authorised Signature(s)


Jagdish Mulki


C. Thavaratnam
T1444



Canadian Imperial Bank of Commerce

Trade Finance Centre
 595 Bay Street, 7th Floor
 Toronto, ON M5G 2M8
 Tel: 1-800-268-6331
 Fax: 416-217-8583
 SWIFT: CIBCCATT

Dave Woolley
 Freshstone Brands Inc.
 350 Creditstone Rd
 Concord, ON L4K 3Z2 Canada

September 08, 2021

Re: Our Irrevocable Standby Letter of Credit No.: SBTG134831
 Beneficiary: Food Processors Affiliation Canada

We enclose a copy of the above-mentioned Irrevocable Standby Letter of Credit issued in accordance with your instructions.

Please review the content of this document carefully and notify us within 2 working days if you have any concerns as to the terms and conditions thereof.

We debit account number XXXX6915 for CAD 1,738.15 value September 08, 2021, as follows:

<u>Description</u>	<u>Currency</u>	<u>Amount</u>
Fees/Charges Canadian Dollars		
Courier Charge	CAD	-25.00
Standby LC Commission	CAD	-1,713.15
Total Fees/Charges Canadian Dollars	CAD	<u>-1,738.15</u>
Final Total Canadian Dollars	CAD	<u>-1,738.15</u>

Principal	Rate	Calculation Period	Collection Period (DDMMYY)	Amount
CAD 65,000.00	3.25%	Daily	08Sep21 - 30Jun22	CAD 1,713.15

For Standby LC Commission the charge basis days equals 365.

Unless otherwise instructed herein, all correspondence and enquiries regarding this transaction should be directed to our Customer Service Centre at the above address, telephone: 1-800-268-6331. Please indicate our reference number in all your correspondence or telephone enquiries.

This document is computer-generated, and requires no signature.

EXHIBIT "H"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

B773A6D4FF3744B

Commissioner for Taking Affidavits



Canadian Imperial Bank of Commerce

Trade Finance Centre
595 Bay Street, 7th Floor
Toronto, ON M5G 2M8
Tel: 1-800-268-6331
Fax: 416-217-8583
SWIFT: CIBCCATT

Granite Property Nominee Inc.
77 King Street West
Suite 4010, P.O. Box 159
Toronto ON M5K 1H1 Canada

May 26, 2022

Re: Our Irrevocable Standby Letter of Credit No.: SBT140698
Place of Expiration: Toronto

Dear Customer,

Please carefully review the details of this Standby Letter of Credit as it is important that documents presented conform in every respect with its terms and conditions. If you are unable to comply with its terms and conditions, and in order to avoid delays in obtaining payment, please communicate with the applicant in order that they may arrange a suitable amendment without delay.

Unless otherwise instructed herein, all correspondence and enquiries regarding this transaction should be directed to our Customer Service Centre at the above address, telephone: 1-800-268-6331. Please indicate our reference number in all your correspondence or telephone enquiries.

Regards,

Authorised Signature(s)

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Canadian Imperial Bank of Commerce

Trade Finance Centre
595 Bay Street, 7th Floor
Toronto, ON M5G 2M8
Tel: 1-800-268-6331
Fax: 416-217-8583
SWIFT: CIBCCATT

**Irrevocable
Standby Letter of Credit No.:
SBGT140698**

Beneficiary:

Granite Property Nominee Inc.
77 King Street West
Suite 4010, P.O. Box 159
Toronto ON M5K 1H1 Canada

Applicant:

Freshstone Brands Inc.
5063 North Service Road
Suite 103
Burlington, ON L7L 5H6 Canada

Date of Issue:

May 26, 2022

Date and Place of Expiry:

December 31, 2022 Toronto

Amount:

CAD 445,978.02 Four Hundred Forty Five Thousand Nine
Hundred Seventy Eight and 02/100 Canadian Dollars

In consideration of Security Deposit on 195 Steinway Blvd, Etobicoke, ON M9W 6H6 pursuant to Section No. 8 of Lease dated May 26, 2022 between the Beneficiary, as Landlord and Applicant, as Tenant, (the "Lease Agreement").

We hereby issue in your favour our Irrevocable Standby Letter of Credit (the "Letter of Credit") in the aggregate amount of CAD 445,978.02 (Four Hundred Forty Five Thousand Nine Hundred Seventy Eight and 02/100 Canadian Dollars) which is available by payment against your written demand addressed to Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8 ("CIBC") or delivered in electronic form, in pdf format, to the email address Mailbox.Inboundstandbytfotoronto(at)cibc.ca, sent from an electronic address linked to the domain name @granitereit.com, bearing the clause "Drawn under Standby Letter of Credit No. SBGT140698 issued by Canadian Imperial Bank of Commerce" and accompanied by the following document(s):

1. The original of this Letter of Credit, or in the case of electronic delivery an electronic form that shall be considered, for examination purposes, as an original, for our endorsement of any payment.



2. A written signed statement from the Beneficiary specifying the amount claimed and stating that Tenant has failed to fulfill its obligations pursuant to the Lease Agreement. Therefore, the Beneficiary is entitled to draw under this Letter of Credit pursuant to the Lease Agreement.

This Letter of Credit shall come into force immediately and will expire at our counters on December 31, 2022 (the "Initial Expiry Date"), subject to the following condition(s):

1. It is a condition of this Letter of Credit that it shall be deemed to be automatically extended without amendment for one (1) year from the present or any future expiration date hereof, unless at least ninety (90) days prior to such expiry date, we notify you in writing by courier or registered mail, that we elect not to consider this Letter of Credit to be renewable for any additional period.

This Letter of Credit sets forth in full our undertaking and such undertaking shall not in any way be modified, amplified, or limited by reference to any document, instrument or agreement referred to in this Credit, except only the ISP98, referred to herein, and any such reference shall not be deemed to incorporate herein any reference to a document, instrument, or agreement.

Partial and multiple drawings are allowed.

The rights and obligations of the Beneficiary under this standby letter of credit are transferable more than once in their entirety (but not in part) to any transferee, provided that, the Beneficiary delivers to CIBC its signed request for transfer (the "Certificate for Transfer") completed substantially in the form of "Exhibit-A" below, together with the original standby letter of credit and all amendments, if any. Upon receipt of the Certificate for Transfer, the original standby letter of credit and all amendments, if any. CIBC shall forthwith transfer the rights and obligations of the Beneficiary to the Transferee specified in the Certificate for Transfer by amendment (the "Transfer Amendment") hereto, subject to compliance with applicable law. The Transfer Amendment will be forwarded to the Transferee.

The Banker of the Beneficiary must certify on the Certificate for Transfer that the signature affixed thereon is that of the Beneficiary.

At the time of request for a transfer under this standby letter of credit, the transfer fee amounting to a minimum of CAD250.00 or one eighth of one percent (1/8%) of the available amount of the standby letter of credit must be paid to CIBC by the Applicant.

We engage to honour presentation(s) submitted within the terms and conditions indicated above.

This Letter of Credit is issued subject to International Standby Practices ("ISP98"), International Chamber of Commerce Publication Number 590 and as to matters not governed by the ISP98, shall be governed by, and construed in accordance with the laws of the province of Ontario (Canada).



Exhibit - A

QUOTE

Certificate for Transfer

Date:

To Canadian Imperial Bank of Commerce
Trade Finance Centre
595 Bay Street, 7th Floor
Toronto, Ontario M5G 2M8

Re: Irrevocable Transferable Standby Letter of Credit No. SBT140698

For value received, the undersigned Beneficiary, hereby irrevocably requests you to transfer the above-referenced Irrevocable Transferable Standby Letter of Credit in favour of:

.....
(Name of Transferee)

.....
(Full Address)

We hereby waive all of our rights as Beneficiary under the above Irrevocable Transferable Standby Letter of Credit. We enclose herewith the original Standby Letter of Credit together with all amendments thereto, if any, which have been accepted by us.

Please forward the above requested Transfer Amendment and all future amendments, correspondence and notifications under the above Irrevocable Transferable Standby Letter of Credit to the Transferee designated above to the attention of:.....

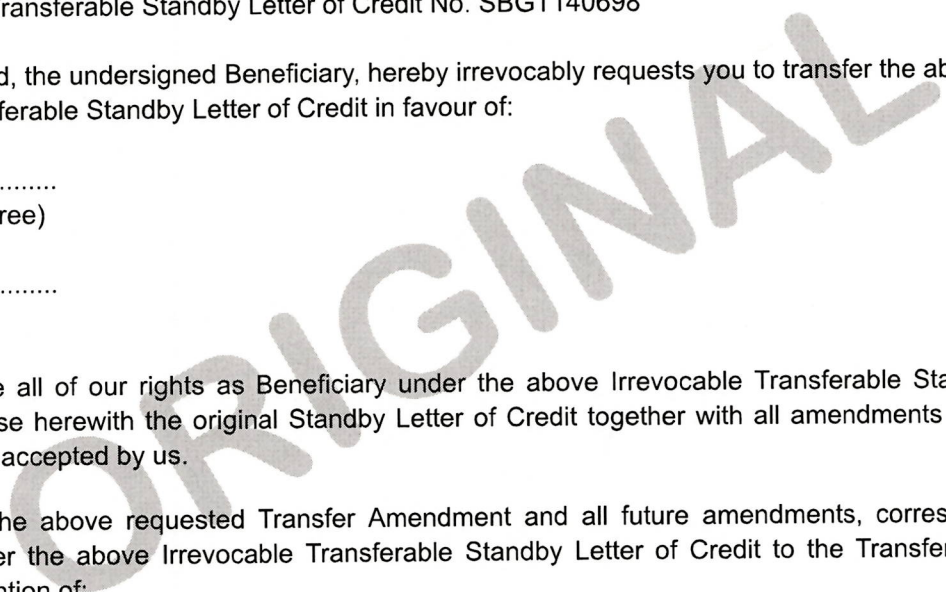
Our signatures below have been duly verified by our Banker.

Yours very truly,

.....
(Name of Present Beneficiary)

.....
(Signature of Authorized Officer)

Signature authenticated by:
.....





(Name of the Beneficiary's Banker)

.....
(Signature of Authorized Officer of the Beneficiary's Banker)

Name:

Title:

Date:

UNQUOTE

Regards,

T.S. Archana

Authorised Signature(s)

C. Thavaratnam

C. Thavaratnam

ORIGINAL



Canadian Imperial Bank of Commerce

Trade Finance Centre
 595 Bay Street, 7th Floor
 Toronto, ON M5G 2M8
 Tel: 1-800-268-6331
 Fax: 416-217-8583
 SWIFT: CIBCCATT

Freshstone Brands Inc.
 5063 North Service Road
 Suite 103
 Burlington, ON L7L 5H6 Canada

May 26, 2022

Re: Our Irrevocable Standby Letter of Credit No.: SBT140698
 Beneficiary: Granite Property Nominee Inc.

We enclose a copy of the above-mentioned Irrevocable Standby Letter of Credit issued in accordance with your instructions.

Please review the content of this document carefully and notify us within 2 working days if you have any concerns as to the terms and conditions thereof.

We debit account number XXXX6915 for CAD 11,444.37 value May 26, 2022, as follows:

<u>Description</u>	<u>Currency</u>	<u>Amount</u>
Fees/Charges Canadian Dollars		
Standby LC Commission	CAD	-11,424.37
Courier Charge	CAD	-20.00
Total Fees/Charges Canadian Dollars	CAD	<u>-11,444.37</u>
Final Total Canadian Dollars	CAD	<u>-11,444.37</u>

Principal	Rate	Calculation Period	Collection Period (DDMMYY)	Amount
CAD 445,978.02	4.25%	Daily	26May22 - 31Dec22	CAD 11,424.37

For Standby LC Commission the charge basis days equals 365.

Unless otherwise instructed herein, all correspondence and enquiries regarding this transaction should be directed to our Customer Service Centre at the above address, telephone: 1-800-268-6331. Please indicate our reference number in all your correspondence or telephone enquiries.

This document is computer-generated, and requires no signature.



**Irrevocable
Standby Letter of Credit No.:
SBGT140698**

Beneficiary:

Granite Property Nominee Inc.
77 King Street West
Suite 4010, P.O. Box 159
Toronto ON M5K 1H1 Canada

Applicant:

Freshstone Brands Inc.
5063 North Service Road
Suite 103
Burlington, ON L7L 5H6 Canada

Date of Issue:

May 26, 2022

Date and Place of Expiry:

December 31, 2022 Toronto

Amount:

CAD 445,978.02 Four Hundred Forty Five Thousand Nine
Hundred Seventy Eight and 02/100 Canadian Dollars

COPY

In consideration of Security Deposit on 195 Steinway Blvd, Etobicoke, ON M9W 6H6 pursuant to Section No. 8 of Lease dated May 26, 2022 between the Beneficiary, as Landlord and Applicant, as Tenant, (the "Lease Agreement").

We hereby issue in your favour our Irrevocable Standby Letter of Credit (the "Letter of Credit") in the aggregate amount of CAD 445,978.02 (Four Hundred Forty Five Thousand Nine Hundred Seventy Eight and 02/100 Canadian Dollars) which is available by payment against your written demand addressed to Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8 ("CIBC") or delivered in electronic form, in pdf format, to the email address [Inboundstandbyfotoronto\(at\)cibc.ca](mailto:Inboundstandbyfotoronto(at)cibc.ca), sent from an electronic address linked to the domain name @granitereit.com, bearing the clause "Drawn under Standby Letter of Credit No. SBGT140698 issued by Canadian Imperial Bank of Commerce" and accompanied by the following document(s):

1. The original of this Letter of Credit, or in the case of electronic delivery an electronic form that shall be considered, for examination purposes, as an original, for our endorsement of any payment.



2. A written signed statement from the Beneficiary specifying the amount claimed and stating that Tenant has failed to fulfill its obligations pursuant to the Lease Agreement. Therefore, the Beneficiary is entitled to draw under this Letter of Credit pursuant to the Lease Agreement.

This Letter of Credit shall come into force immediately and will expire at our counters on December 31, 2022 (the "Initial Expiry Date"), subject to the following condition(s):

1. It is a condition of this Letter of Credit that it shall be deemed to be automatically extended without amendment for one (1) year from the present or any future expiration date hereof, unless at least ninety (90) days prior to such expiry date, we notify you in writing by courier or registered mail, that we elect not to consider this Letter of Credit to be renewable for any additional period.

This Letter of Credit sets forth in full our undertaking and such undertaking shall not in any way be modified, amplified, or limited by reference to any document, instrument or agreement referred to in this Credit, except only the ISP98, referred to herein, and any such reference shall not be deemed to incorporate herein any reference to a document, instrument, or agreement.

Partial and multiple drawings are allowed.

The rights and obligations of the Beneficiary under this standby letter of credit are transferable more than once in their entirety (but not in part) to any transferee, provided that, the Beneficiary delivers to CIBC its signed request for transfer (the "Certificate for Transfer") completed substantially in the form of "Exhibit-A" below, together with the original standby letter of credit and all amendments, if any. Upon receipt of the Certificate for Transfer, the original standby letter of credit and all amendments, if any. CIBC shall forthwith transfer the rights and obligations of the Beneficiary to the Transferee specified in the Certificate for Transfer by amendment (the "Transfer Amendment") hereto, subject to compliance with applicable law. The Transfer Amendment will be forwarded to the Transferee.

The Banker of the Beneficiary must certify on the Certificate for Transfer that the signature affixed thereon is that of the Beneficiary.

At the time of request for a transfer under this standby letter of credit, the transfer fee amounting to a minimum of CAD250.00 or one eighth of one percent (1/8%) of the available amount of the standby letter of credit must be paid to CIBC by the Applicant.

We engage to honour presentation(s) submitted within the terms and conditions indicated above.

This Letter of Credit is issued subject to International Standby Practices ("ISP98"), International Chamber of Commerce Publication Number 590 and as to matters not governed by the ISP98, shall be governed by, and construed in accordance with the laws of the province of Ontario (Canada).



Exhibit - A

QUOTE

Certificate for Transfer

Date:

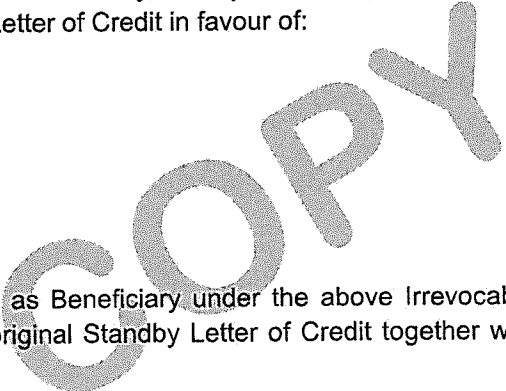
To Canadian Imperial Bank of Commerce
Trade Finance Centre
595 Bay Street, 7th Floor
Toronto, Ontario M5G 2M8

Re: Irrevocable Transferable Standby Letter of Credit No. SBTG140698

For value received, the undersigned Beneficiary, hereby irrevocably requests you to transfer the above-referenced Irrevocable Transferable Standby Letter of Credit in favour of:

.....
(Name of Transferee)

.....
(Full Address)



We hereby waive all of our rights as Beneficiary under the above Irrevocable Transferable Standby Letter of Credit. We enclose herewith the original Standby Letter of Credit together with all amendments thereto, if any, which have been accepted by us.

Please forward the above requested Transfer Amendment and all future amendments, correspondence and notifications under the above Irrevocable Transferable Standby Letter of Credit to the Transferee designated above to the attention of:.....

Our signatures below have been duly verified by our Banker.

Yours very truly,

.....
(Name of Present Beneficiary)

.....
(Signature of Authorized Officer)

Signature authenticated by:
.....

134



Canadian Imperial Bank of Commerce

(Name of the Beneficiary's Banker)

.....
(Signature of Authorized Officer of the Beneficiary's Banker)

Name:

Title:

Date:

UNQUOTE

Regards,

Authorised Signature(s)

COPY

EXHIBIT "I"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

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Commissioner for Taking Affidavits

CASH COLLATERAL SECURITY AGREEMENT

THIS CASH COLLATERAL SECURITY AGREEMENT is made as of May 8, 2026 by FRESHSTONE BRANDS INC. (together with its successors and permitted assigns, the "**Debtor**") in favour of CANADIAN IMPERIAL BANK OF COMMERCE (together with its successors and assigns, the "**Lender**").

WHEREAS the Debtor has deposited money into a bank account with the Lender as cash collateral to secure the Obligations;

AND WHEREAS this Agreement is being entered into by the Debtor in favour of the Lender to secure the payment and performance of the Obligations of the Debtor;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained, the parties hereto agree as follows:

1. Interpretation

In the Agreement, unless something in the subject matter is inconsistent therewith:

"Agreement" means this cash collateral security agreement and all amendments, restatements, modifications and supplements thereto.

"Cash Collateral" has the meaning ascribed thereto in Section 2.

"Documents" has the meaning ascribed thereto in Section 2.

"Lender" has the meaning ascribed thereto in the recitals hereto.

"Obligations" means all of the Debtor's obligations, indebtedness and liabilities of any nature and kind owing to the Lender, pursuant to the Outstanding Letters of Credit and the exercise of any rights or remedies pursuant thereto or pursuant to this Agreement.

"Outstanding Letters of Credit" means the letters of credit identified on Schedule A attached hereto.

"PPSA" means the *Personal Property Security Act* of the Province of Ontario, as amended, re-enacted or replaced from time to time.

"Proceeds" has the meaning ascribed thereto in Section 2.

"Security Interest" means the grants, mortgages, charges, pledges, assignments and security interests created under Section 2.

2. Creation of Security Interest

As general and continuing security for the payment and performance of all Obligations, the Debtor hereby grants to the Lender a security interest in, pledges in favour of the Lender, assigns, transfers and sets over to the Lender and mortgages and charges as and

by way of a fixed and specific mortgage and charge to the Lender, all right, title and interest that the Debtor now has, or may hereafter have, be possessed of, be entitled to, or acquire, by way of amalgamation or otherwise, in the following property (collectively, the "**Cash Collateral**"):

- (a) all amounts due and accruing standing to the credit of the Debtor or the Lender or otherwise held in a Canadian dollar deposit account with number 00002/0069310 (or another term deposit, deposit account or investment acceptable to the Lender) at the Lender's branch located at CIBC Main Branch Commerce Court, 199 Bay St. Toronto ON CA M5L 1G9 (or such other branch as determined by the Lender); in each case with respect to cash collateral deposited and held in such deposit in such account from time to time (which, as of the date of this Agreement, is C\$510,978.02);
- (b) all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating to collateral hereby secured ("**Documents**"); and
- (c) all proceeds (including dividends and interest) obtained upon the maturity or payment of, or sale, disposition or realization of any security, instrument or investment held by the Lender ("**Proceeds**").

3. **Attachment**

The parties acknowledge that:

- (a) value has been given;
- (b) the Debtor has rights in the Cash Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the Security Interest.

4. **Additional Covenants of Debtor**

The Debtor covenants and agrees with the Lender as follows:

- (a) not to sell, exchange, transfer, assign, lend or otherwise dispose of or deal in any way with the Cash Collateral or any interest therein, or enter into any agreement or undertaking to do so;
- (b) to do, make, execute and deliver such further and other assignments, transfers, deeds, security agreements and other documents as may be reasonably required by the Lender to establish in favour of the Lender the Security Interest intended to be created hereby and to accomplish the intention of this Agreement; and
- (c) to pay all reasonable documented third party expenses, including solicitors' and receivers' fees and disbursements, incurred by the Lender or its agents in connection with the preparation, perfection, preservation and enforcement of this Agreement; including all reasonable expenses incurred by the Lender or such agents in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest; all of which

expenses shall be payable forthwith upon demand and shall form part of the Obligations.

5. Enforcement Upon Demand

The Security Interest shall become enforceable immediately upon demand by the Lender following any portion of the Obligations becoming due and payable.

6. Remedies

Upon the Security Interest becoming enforceable, in addition to any other remedies available at law or equity or contained in any other agreement between the Debtor and the Lender, the Lender may:

- (a) realize upon, collect, sell, transfer, assign, give options to purchase, or otherwise dispose of and deal with the Cash Collateral or any part thereof; and any sale may be effected through any recognized exchange or by public or private sale;
- (b) notify any parties obligated in respect of any Proceeds to make payment thereof to the Lender;
- (c) apply all amounts received in connection with its exercise of its remedies under clause (a) or (b) in satisfaction of the Obligations; and
- (d) file proofs of claim and other documents in order to have the claims of the Lender lodged in any bankruptcy, winding-up, or other judicial proceeding relating to the Debtor.

7. Acknowledgement and Agreement of Debtor

(a) The Debtor acknowledges and agrees that it shall have no rights in or access to the Cash Collateral until such time as this Agreement is terminated in accordance with Section 14.

(b) The Debtor acknowledges and agrees that the Cash Collateral may only be invested in a limited group of short term investments offered by the Lender and any such investment shall be subject to written instructions being provided by the Debtor to the Lender.

8. Liability of Lender

The Lender shall not be liable for any delay or failure to enforce any remedies available to it or to institute any proceedings for such purposes. If it ever stands in possession of any of the Cash Collateral, the Lender's responsibility with respect thereto will be limited to exercising the same degree of care which it gives to comparable valuable property of the Lender.

9. Dealings by Lender

The Lender may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, and otherwise deal with the Cash Collateral, the Debtor, debtors of the Debtor or sureties of the Debtor, and others as the

Lender may see fit, without prejudice to the Obligations and the rights of the Lender to hold and realize upon the Security Interest.

10. Contractual Right of Set-Off

The Debtor agrees that the Lender may from time to time, upon demand having been made by the Lender as contemplated by Section 5, set off all or any portion of the indebtedness and obligations owing by the Lender to the Debtor against all or any portion of the Obligations. This contractual right of set-off is in addition to and not in limitation of the Security Interest granted herein and any other rights of set-off, rights to consolidate accounts and other rights and remedies now or hereafter otherwise available to the Lender under applicable law.

11. Notice

Any notice, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given when delivered in person, or when sent by telecopy or other electronic means and electronic confirmation of error free receipt is received or two (2) days after being sent by certified or registered mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

(a) Debtor:

Freshstone Brands Inc.
Suite 103, 5063 North Service Road
Burlington, ON L7L 5H6

Attention: Leigh Newton
Email: lnewton@homestyleselectionsp.com

(b) Lender:

Canadian Imperial Bank of Commerce
CIBC Square
81 Bay Street, 10th Floor
Toronto, ON M5J 0E7

Attention: Stephen Smaluck
Facsimile: (416) 784-7752

Any party may change its address for notices in the manner set forth above.

12. Severability

If any provision of this Agreement shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

13. Power of Attorney

The Debtor hereby constitutes and appoints the Lender or any authorized signatory thereof as its true, lawful and irrevocable attorney, with full power of substitution, to,

upon demand for payment being issued by the Lender in accordance with the terms hereof, execute all documents and take all actions as may be necessary or desirable to perform any obligations of the Debtor arising pursuant to this Agreement and in executing such documents and taking such actions, to use the name of the Debtor whenever and wherever it may be considered necessary or expedient. Neither the Lender nor any other person may exercise this power of attorney until the Security Interest has become enforceable.

14. Discharge

This Agreement shall terminate on the earlier of: (i) the date on which all Obligations are paid in full and all Outstanding Letters of Credit issued by the Lender have been cancelled; and (ii) the date on which the Lender and the Debtor agree in writing to its termination. Following termination of this Agreement, the Lender shall, at the Debtor's sole expense, execute and deliver to the Debtor such releases and discharges as the Debtor may reasonably require.

15. Entire Agreement

This Agreement constitutes the entire agreement between the Debtor and the Lender relating to the subject-matter hereof except as set forth herein or therein, and no amendment shall be effective unless made in writing. There are no representations, warranties or collateral agreements in effect between the Debtor and the Lender relating to the subject-matter hereof; and possession of an executed copy of this Agreement by the Lender and the Debtor constitutes conclusive evidence that it was executed and delivered by the parties hereto free of all conditions.

16. Governing Law

This Agreement shall be interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

17. Successors and Assigns

This Agreement is binding upon the parties hereto, and their respective successors and permitted assigns; "successors" includes any corporation resulting from the amalgamation of any corporation with another corporation.

18. Copy of Agreement

The Debtor acknowledges receipt of an executed copy of this Agreement.

19. Registrations of Financing Statements

With respect to the grant of the Security Interest hereunder, the Debtor hereby authorizes the Lender to file one or more financing statements or financing change statements under the PPSA, and amendments thereto, without the signature of the Debtor where permitted by applicable law and, to the extent permitted by applicable law, waives all rights to receive from the Lender a copy of the verification statement in respect of any financing statement or financing change statement registered under the PPSA evidencing the security interest created under this Agreement.

20. **Counterparts**


This Agreement may be executed in any number of counterparts and may be executed and delivered by facsimile or electronic copy, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts or facsimiles.

21. **Amendments**

This Agreement may be amended by the parties hereto by way of written agreement only.

[The remainder of this page is intentionally left blank; signature page follows.]

FRESHSTONE BRANDS INC.

by 

Name: Frank Burdzy
Title: Chief Executive Officer

Name: Leigh Newton
Title: Chief Development Officer

FRESHSTONE BRANDS INC.


by _____

Name: Frank Burdzy
Title: Chief Executive Officer



Name: Leigh Newton
Title: Chief Development Officer

**CANADIAN IMPERIAL BANK OF
COMMERCE**

by 

Name: Ramin Ganjavi
Title: Authorized Signatory



Name: Adam Brush
Title: Authorized Signatory

**SCHEDULE A
OUTSTANDING LETTERS OF CREDIT**

- LC # SBGT140698: C\$445,978.02
- LC # SBGT134831: C\$65,000

EXHIBIT "J"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

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Commissioner for Taking Affidavits

SECOND AMENDED AND RESTATED SECURED PROMISSORY NOTE

PRINCIPAL AMOUNT: Cdn. \$1,150,000

INITIALLY ISSUED: July 10, 2025, as amended and restated on October 28, 2025

AMENDED AND RESTATED EFFECTIVE: May 8, 2026 (the "**Effective Date**")

1. **Promise to Pay:** FOR VALUE RECEIVED, **FRESHSTONE BRANDS INC.** (the "**Payor**") hereby promises to pay on or before the Maturity Date (as defined below) to or to the order of **FRANK BURDZY** (the "**Holder**") at such address as the Holder may specify from time to time, the principal amount of ONE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (Cdn. \$1,150,000) in lawful money of Canada (the principal amount outstanding hereunder from time to time being referred to herein as the "**Principal Amount**") together with interest thereon at the rate of twenty percent (20%) per annum (the "**Interest Rate**") from and after the Effective Date and interest on overdue and unpaid interest, before and after demand, default and judgment, at the Interest Rate and at the times and manner specified herein.
2. **Interest:**
 - (a) Interest hereunder shall accrue daily, commencing on and including the Effective Date until the full repayment of the Principal Amount, and be calculated on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and shall be payable monthly, in arrears, on the last Business Day of each and every month (commencing July 31, 2025), and on the Maturity Date (each, an "**Interest Payment Date**").
 - (b) Notwithstanding the foregoing, interest payable on each Interest Payment Date in accordance with Section 2(a) shall be paid in kind ("**PIK Interest**") on such Interest Payment Date, by capitalizing the entire amount of the PIK Interest payable on such Interest Payment Date to the Principal Amount, and the amount of such PIK Interest shall be deemed to be added to the Principal Amount hereunder.
3. **Maturity:** The Principal Amount, together with all accrued and unpaid interest, shall be due and payable on the earlier of (a) the date on which a majority of the board of directors of the Payor agree to indefeasibly prepay the Principal Amount, together with all accrued and unpaid interest, in full in accordance with Section 5, and (b) December 31, 2027 (the "**Maturity Date**").
4. **Defined Terms:** In this Promissory Note, "**Business Day**" means any day other than a day which is a Saturday, a Sunday or a day on which banks in Calgary, Alberta are not generally open for business.
5. **Prepayment:** The Payor shall have the right and privilege of prepaying the whole or any portion of the Principal Amount, together with all accrued and unpaid interest thereon, at any time or times, without penalty.

6. **Security:** In consideration of the Holder advancing Cdn. \$2,000,000 in lawful money of Canada to the Payor pursuant to a secured subordinated promissory note dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated secured promissory note dated as of the Effective Date), and as security for the obligations of the Payor owing under this Promissory Note, the Payor has executed and delivered a general security agreement in favour of the Holder dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated general security agreement dated as of the Effective Date).
7. **Miscellaneous:**
- (a) The Payor hereby waives presentment for acceptance and payment including applicable grace periods, demand, notice of dishonour and protest or a further notice of any kind and agrees that it shall remain liable in respect hereof as if presentment, demand, notice of dishonour and protest had been duly made or given.
 - (b) This Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
 - (c) This Promissory Note amends and restates, and supersedes and replaces, in its entirety, the amended and restated secured subordinated promissory note issued by the Payor to the Holder as of October 28, 2025 (the "**A&R Note**"). This Promissory Note is not intended by the parties to be, and shall not constitute, a payment, discharge, satisfaction or novation of any obligation of the Payor to the Holder, including the whole or any item or part of the Principal Amount (as defined in the A&R Note) and accrued but unpaid interest thereon remaining outstanding and owing to the Holder hereunder until paid in full in accordance with the provisions of this Promissory Note.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

DATED as of the date first written above.

FRESHSTONE BRANDS INC.

Per: 

Authorized Signatory

Acknowledged and Agreed:



FRANK BURDZY

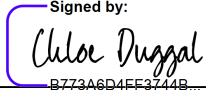
EXHIBIT "K"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:



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Commissioner for Taking Affidavits

AMENDED AND RESTATED SECURED PROMISSORY NOTE

PRINCIPAL AMOUNT: Cdn. \$2,000,000

INITIALLY ISSUED: October 28, 2025

AMENDED AND RESTATED EFFECTIVE: May 8, 2026 (the “**Effective Date**”)

1. **Promise to Pay:** FOR VALUE RECEIVED, **FRESHSTONE BRANDS INC.** (the “**Payor**”) hereby promises to pay on or before the Maturity Date (as defined below) to or to the order of **FRANK BURDZY** (the “**Holder**”) at such address as the Holder may specify from time to time, the principal amount of TWO MILLION DOLLARS (Cdn. \$2,000,000) in lawful money of Canada (the principal amount outstanding hereunder from time to time being referred to herein as the “**Principal Amount**”), without interest.
2. **New Money Fee:** As consideration for the Holder advancing the Principal Amount to the Payor, the Payor agrees to pay to the Holder a new money fee in the amount of Cdn. \$2,000,000 in lawful money of Canada (the “**New Money Fee**”), which New Money Fee shall be fully earned by the Holder for all purposes as of January 1, 2026, notwithstanding the timing of payment thereof.
3. **Maturity:** The Principal Amount, together with the New Money Fee, shall be due and payable on the earlier of (a) the date on which a majority of the board of directors of the Payor agree to indefeasibly prepay the Principal Amount, together with the New Money Fee, in full in accordance with Section 4, and (b) December 31, 2027 (the “**Maturity Date**”).
4. **Prepayment:** The Payor shall have the right and privilege of prepaying the whole or any portion of the Principal Amount, together with the whole or any portion of the New Money Fee, at any time or times, without penalty.
5. **Security:** As security for the obligations of the Payor owing under this Promissory Note, the Payor has executed and delivered a general security agreement in favour of the Holder dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated general security agreement dated as of the Effective Date).
6. **Miscellaneous:**
 - (a) The Payor hereby waives presentment for acceptance and payment including applicable grace periods, demand, notice of dishonour and protest or a further notice of any kind and agrees that it shall remain liable in respect hereof as if presentment, demand, notice of dishonour and protest had been duly made or given.
 - (b) This Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
 - (c) This Promissory Note amends and restates, and supersedes and replaces, in its entirety, the secured subordinated promissory note issued by the Payor to the Holder as of October 28, 2025 (the “**Original Note**”). This Promissory Note is not intended by the parties to be, and shall not constitute, a payment, discharge, satisfaction or novation of any obligation of the Payor to the Holder, including the whole or any item or part of the Principal Amount (as defined in the Original Note) and the New Money Fee (as defined in the Original Note) remaining outstanding and owing to the Holder hereunder until paid in full in accordance with the provisions of this Promissory Note.

DATED as of the date first written above.

FRESHSTONE BRANDS INC.

Per: 
Authorized Signatory

Acknowledged and Agreed:



FRANK BURDZY

EXHIBIT "L"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

Commissioner for Taking Affidavits

SECURED PROMISSORY NOTE

PRINCIPAL AMOUNT: Cdn. \$2,000,000

ISSUED: May 8, 2026 (the “**Effective Date**”)

1. **Promise to Pay:** FOR VALUE RECEIVED, **FRESHSTONE BRANDS INC.** (the “**Payor**”) hereby promises to pay on or before the Maturity Date (as defined below) to or to the order of **FRANK BURDZY** (the “**Holder**”) at such address as the Holder may specify from time to time, the principal amount of TWO MILLION DOLLARS (Cdn. \$2,000,000) in lawful money of Canada (the principal amount outstanding hereunder from time to time being referred to herein as the “**Principal Amount**”) together with interest thereon at the rate of twenty-five percent (25%) per annum (the “**Interest Rate**”) from and after the Effective Date and interest on overdue and unpaid interest, before and after demand, default and judgment, at the Interest Rate and at the times and manner specified herein.
2. **Interest:**
 - (a) Interest hereunder shall accrue daily, commencing on and including the Effective Date until the full repayment of the Principal Amount, and be calculated on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and shall be payable monthly, in arrears, on the last Business Day of each and every month (commencing May 29, 2026), and on the Maturity Date (each, an “**Interest Payment Date**”).
 - (b) Notwithstanding the foregoing, interest payable on each Interest Payment Date in accordance with Section 2(a) shall be paid in kind (“**PIK Interest**”) on such Interest Payment Date, by capitalizing the entire amount of the PIK Interest payable on such Interest Payment Date to the Principal Amount, and the amount of such PIK Interest shall be deemed to be added to the Principal Amount hereunder.
3. **Maturity:** The Principal Amount, together with all accrued and unpaid interest, shall be due and payable on the earlier of (a) the date on which a majority of the board of directors of the Payor agree to indefeasibly prepay the Principal Amount, together with all accrued and unpaid interest, in full in accordance with Section 5, and (b) December 31, 2027 (the “**Maturity Date**”).
4. **Defined Terms:** In this Promissory Note, “**Business Day**” means any day other than a day which is a Saturday, a Sunday or a day on which banks in Calgary, Alberta are not generally open for business.
5. **Prepayment:** The Payor shall have the right and privilege of prepaying the whole or any portion of the Principal Amount, together with all accrued and unpaid interest thereon, at any time or times, without penalty.

6. **Security:** In consideration of the Holder advancing, in lawful money of Canada to the Payor, (i) Cdn. \$2,000,000 pursuant to a secured subordinated promissory note dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated secured promissory note dated as of the Effective Date) and (ii) Cdn. \$1,150,000 pursuant to an unsecured subordinated promissory note dated as of July 10, 2025 (as amended and restated pursuant to an amended and restated secured subordinated promissory note dated as of October 28, 2025 and as further amended and restated pursuant to a second amended and restated secured promissory note dated as of the Effective Date), and as security for the obligations of the Payor owing under this Promissory Note, the Payor has executed and delivered a general security agreement in favour of the Holder dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated general security agreement dated as of the Effective Date).
7. **Miscellaneous:**
- (a) The Payor hereby waives presentment for acceptance and payment including applicable grace periods, demand, notice of dishonour and protest or a further notice of any kind and agrees that it shall remain liable in respect hereof as if presentment, demand, notice of dishonour and protest had been duly made or given.
- (b) This Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

DATED as of the date first written above.

FRESHSTONE BRANDS INC.


Per: 
Authorized Signatory

EXHIBIT "M"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

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Commissioner for Taking Affidavits

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is dated as of October 28, 2025.

B E T W E E N :

Freshstone Brands Inc.

(the “**Debtor**”)

- and -

Frank Burdzy

(the “**Secured Party**”)

CONTEXT:

- A.** The Debtor has issued an amended and restated secured subordinated promissory note in the original principal amount of \$1,150,000, dated as of the date hereof, in favour of the Secured Party (as further amended, restated, supplemented or otherwise modified from time to time, the “**A&R Note**”).
- B.** The Debtor has issued a secured subordinated promissory note in the original principal amount of \$2,000,000, dated as of the date hereof, in favour of the Secured Party (as amended, restated, supplemented or otherwise modified from time to time, the “**Second Note**”).
- C.** The Debtor has agreed to execute and deliver this Agreement to and in favour of the Secured Party as security for the payment and performance of the Obligations.

THEREFORE, the Debtor agrees with the Secured Party as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, in addition to terms defined elsewhere in this Agreement, the following terms have the following meanings:

- 1.1.1 “**Agreement**” means this agreement as it may be amended, restated, supplemented or otherwise modified from time to time.
- 1.1.2 “**Collateral**” means all present and after-acquired personal property owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, including all present and after-acquired Goods (including Equipment and Inventory), Investment Property, Instruments, Documents of Title, Chattel Paper, Intangibles (including Accounts), Money, crops and fixtures, owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, and all Proceeds of that property, but specifically excludes Excluded Assets.
- 1.1.3 “**Excluded Assets**” has the meaning set forth in Section 2.3.1.

- 1.1.4 “**Encumbrance**” has the meaning given to it in the Senior Credit Agreement.
- 1.1.5 “**Notes**” means the A&R Note and the Second Note.
- 1.1.6 “**Notice**” means any notice, demand, request, consent, approval or other communication that is required or permitted by this Agreement to be given or made by a Party.
- 1.1.7 “**Obligations**” means all present and future indebtedness, liabilities and obligations of the Debtor to the Secured Party under the Notes.
- 1.1.8 “**Parties**” means, collectively, the Debtor and the Secured Party and “**Party**” means any of them.
- 1.1.9 “**Permitted Encumbrances**” has the meaning given to it in the Senior Credit Agreement.
- 1.1.10 “**PPSA**” means the *Personal Property Security Act* (Alberta), together with all regulations thereunder, in each case, as the same may be in effect from time to time, or similar legislation of any other jurisdiction in Canada, the laws of which are required by such legislation to be applied in connection with the issue, perfection, effect of perfection, enforcement, enforceability, opposability, validity or effect of Encumbrances.
- 1.1.11 “**Receiver**” means a receiver or receiver-manager of the Collateral.
- 1.1.12 “**Security Interests**” means the Encumbrances granted and created in this Agreement.
- 1.1.13 “**Senior Credit Agreement**” has the meaning given to it in the Notes.

1.2 Incorporated Definitions

Capitalized terms not otherwise defined in this Agreement have the definitions set out in the PPSA.

1.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

1.4 Rules of Interpretation

In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words “including” and “includes” in this Agreement is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.

ARTICLE 2 GRANT OF SECURITY INTEREST

2.1 Security Interests

As security for the payment and performance of the Obligations, the Debtor mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, and the Secured Party takes a security interest in, all of the Debtor’s right, title and interest in and to the Collateral.

2.2 Attachment

The Debtor acknowledges that (i) it has not agreed to postpone the time of attachment of the Security Interests, (ii) value has been given, (iii) it has rights in the Collateral (other than after-acquired Collateral) and (iv) it has received a copy of this Agreement.

2.3 Scope of Security Interests

2.3.1 Notwithstanding any other provision of this Agreement, the Security Interest shall not extend or apply to (collectively, the **"Excluded Assets"**):

2.3.1.1 Consumer Goods;

2.3.1.2 the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Debtor, but should such mortgage, charge and security interest become enforceable, the Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term or the part thereof mortgaged and charged in the course of any enforcement of the said mortgage, charge and security or any realization of the subject matter thereof;

2.3.1.3 any present or after-acquired agreement, right, franchise, licence or permit (for the purpose of this Section 2.3.1.3, the "contractual rights") to which the Debtor is a party or of which the Debtor has the benefit to the extent that the creation of the mortgage, charge or security therein would constitute a breach of the terms of or permit any person to terminate any of the contractual rights or otherwise constitute a breach of or violation under any existing applicable law to which the Debtor is subject, provided that all such contractual rights will be held in trust by the Debtor for the benefit of the Secured Party (provided that, notwithstanding the foregoing, the Security Interest shall apply to any proceeds of the disposition of any such contractual rights and the Debtor further agrees to hold such proceeds in trust for the Secured Party, and provided further that, the Security Interest shall extend to the contractual rights upon delivery by the Secured Party to the Debtor of written notice to such effect following the occurrence of an Event of Default); or

2.3.1.4 the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Debtor, but the Debtor will stand possessed of any such last day upon trust to assign and dispose of it as the Secured Party may reasonably direct.

2.3.2 The Security Interests with respect to trade-marks, if any, constitutes a security interest in, and a charge, hypothecation and pledge of, such Collateral in favour of the Secured Party, but do not constitute an assignment or mortgage of such Collateral to the Secured Party.

2.3.3 Until the Security Interests are enforceable, the grant of the Security Interests in any intellectual property do not affect in any way the Debtor's rights to commercially exploit the intellectual property, defend it, enforce the Debtor's rights in it or with respect to it against third parties in any court or claim and be entitled to receive any damages with respect to any infringement of it.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties

The Debtor represents and warrants to the Secured Party that:

- 3.1.1 **Corporate Existence.** It is duly incorporated and validly existing under the laws of the jurisdiction of its incorporation.
- 3.1.2 **Name.** The full legal name of the Debtor, and any other name under which it conducts its business, is correctly specified on the signature page of this Agreement.
- 3.1.3 **Location of Collateral.** All of the tangible Collateral is located in Ontario, Alberta, Saskatchewan and Prince Edward Island, except for goods in transit and goods which are being leased out or are being sold on a conditional sale (or similar) basis.
- 3.1.4 **Owns Collateral.** The Debtor either owns, possesses and has good and marketable title to, or has enforceable leasehold or other rights to, all currently held Collateral, free from all Encumbrances (other than Permitted Encumbrances).
- 3.1.5 **Execution.** The execution, delivery, and performance by the Debtor under this Agreement and the granting of the Security Interests herein will not result in a breach of any agreement to which the Debtor is a party.

3.2 Covenants

The Debtor covenants and agrees with the Secured Party that it will not, without the prior written consent of the Secured Party:

- 3.2.1 sell, lease or otherwise dispose of the Collateral or any part of it (other than Equipment or Inventory in the ordinary course of business), and if any sale, lease or other disposition is permitted or consented to it will pay the Proceeds to the Secured Party, other than Proceeds from the sale, lease or disposition of Equipment or Inventory in the ordinary course of business which do not need to be paid to the Secured Party;
- 3.2.2 release, surrender or abandon the Collateral or any part of it;
- 3.2.3 move the Collateral or any part of it from its present location or locations without providing at least 15 days prior written notice to the Secured Party, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Secured Party have a valid and perfected security interest in the Collateral;
- 3.2.4 allow the Collateral to be or become subject to any Encumbrances (other than Permitted Encumbrances);
- 3.2.5 change its name, adopt a French form of name or change its jurisdiction of formation, in each case, without providing at least 15 days prior written notice to a Secured Party; or
- 3.2.6 allow its existence to cease or amalgamate with any other corporation.

ARTICLE 4 EVENTS OF DEFAULT

4.1 Events of Default

The occurrence of any one or more of the following events or conditions will be an event of default under this Agreement (“**Event of Default**”):

- 4.1.1 the Debtor defaults in payment to the Secured Party of any indebtedness or liabilities forming part of the Obligations past any cure period set out in the Notes;
- 4.1.2 the Debtor defaults in performance of any of the Obligations other than payment under Section 4.1.1 and such default remains unremedied for a period of fifteen (15) business days following written notice of such failure from the Secured Party;
- 4.1.3 the Debtor defaults in the observance or performance of any of the terms, conditions or covenants to be observed or performed by the Debtor under this Agreement or the Notes (not otherwise specifically dealt with in this Section 4.1) and such default remains unremedied for a period of fifteen (15) business days following written notice of such failure from the Secured Party;
- 4.1.4 the Debtor ceases to carry on its business, sells or otherwise disposes of all of substantially all of the assets of its business, or if a direct or indirect change of control occurs with respect to the shares in the capital of the Debtor;
- 4.1.5 the Debtor commits any act of bankruptcy, or becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) or similar legislation in Canada or any other jurisdiction (including without limitation the *Companies’ Creditors Arrangement Act* (Canada)), or if an application for a bankruptcy order is filed against the Debtor;
- 4.1.6 proceedings are commenced against or affecting the Debtor seeking the appointment of, or any creditor of the Debtor or any other person privately appoints, a receiver, receiver-manager, trustee, custodian, liquidator, monitor or similar official for the Debtor or any part of the Debtor’s property, including the Collateral or any part of it unless such proceedings are being actively and diligently contested in good faith by such person and are stayed within 30 days of being commenced;
- 4.1.7 any act, matter, or thing is done toward terminating the corporate existence of the Debtor, provided that the Debtor shall have a period of five (5) business days from the date it has knowledge of such potential termination of existence within which to cure such default;
- 4.1.8 any execution, attachment, distress, or other process of any court becomes enforceable against any of the property of the Debtor, or an attachment or distress or like process is levied upon any of such property;
- 4.1.9 the Debtor permits any sum which has been admitted or is not disputed to be due by it and which is or may be a charge upon any of the Collateral in priority to, or *pari passu* with, the charge created by this Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce such charge; or
- 4.1.10 any representation or warranty herein contained or financial statement or any other information furnished to the Secured Party by the Debtor is false or misleading in any material respect.

ARTICLE 5 RIGHTS UPON DEFAULT

5.1 Acceleration

If an Event of Default occurs and is continuing then the Secured Party may declare all or any part of the Obligations, whether or not by their terms payable on demand, immediately due and payable, by issuing a demand notice to the Debtor.

5.2 Security Interests Enforceable

The occurrence of an Event of Default which is continuing will cause the Security Interests to become enforceable upon provision of notice by the Secured Party to the Debtor.

5.3 Remedies of the Secured Party

If the Security Interests become enforceable, the Secured Party may enforce their rights by any one or more of the following remedies:

- 5.3.1 by taking possession of the Collateral or any part of it, and collecting, demanding, suing, enforcing, recovering, receiving and otherwise getting in the Collateral, and for that purpose entering into and upon any lands, buildings, and premises and doing any act and taking any proceedings in the name of the Debtor, or otherwise, as the Secured Party considers necessary;
- 5.3.2 by proceedings in any court of competent jurisdiction for the appointment of a Receiver or of all or any part of the Collateral;
- 5.3.3 by proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;
- 5.3.4 by filing of proofs of claim and other documents to establish its claims in any proceeding or proceedings relating to the Debtor;
- 5.3.5 by sale or lease or other disposal by the Secured Party of all or any part of the Collateral, which it has taken possession of (without notice to the Debtor), but it shall not be incumbent on the Secured Party to sell, lease, or otherwise dispose of the Collateral and it shall be lawful for the Secured Party peaceably to use and possess the same without hindrance or interruption by either the Debtor or any other persons whomsoever;
- 5.3.6 by appointment by instrument in writing of a Receiver of all or any part of the Collateral on any terms as to remuneration and otherwise as the Secured Party think fit, or by removing and appointing a replacement for any Receiver, and any Receiver so appointed will have the power:
 - 5.3.6.1 to take possession of, collect, demand, sue on, recover, receive, realize on or enforce against the Collateral, and for that purpose to give valid and binding receipts and discharges for and in respect of it, and take any proceedings in the name of the Debtor or otherwise as may seem expedient;
 - 5.3.6.2 to carry on or manage all or any part of the business of the Debtor;

- 5.3.6.3 to borrow money on the security of the Collateral in priority to this Agreement or otherwise for the purpose of the maintenance, preservation or protection of the Collateral, for carrying on or managing all or any part of the business of the Debtor or for exercising any other power under this Agreement;
- 5.3.6.4 to sell, lease, accept surrenders of leases of or otherwise dispose of the Collateral in whole or in part, at public auction, by public tender or by private sale, either for cash or upon credit, at the time and upon any terms and conditions as the Receiver may determine;
- 5.3.6.5 to make any arrangement or compromise that the Receiver thinks expedient;
- 5.3.7 to notify any parties obligated on any of the Collateral to make payment to the Secured Party of any amounts due thereunder, and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such accounts, and to adjust, settle, or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done;
- 5.3.8 to make payments to parties having prior charges or encumbrances on the Collateral;
- 5.3.9 to elect to retain all or any part of the Collateral in satisfaction of the Obligations; and
- 5.3.10 by any other remedy or proceeding authorized or permitted by this Agreement or by law or equity, including all of the rights and remedies of a secured party under the PPSA,

and in exercising, delaying in exercising or failing to exercise, any such right or remedy the Secured Party will not incur any liability to the Debtor.

5.4 Proceeds of Disposition

The Proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied:

- (a) first, in payment of all costs and expense incurred by the Secured Party in the exercise of all or any of the powers granted to it under this Agreement and in payment of all remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement;
- (b) second, in payment of all amounts of money borrowed or advanced by either the Secured Party or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, in payment of the Obligations, and
- (d) any surplus remaining in the hands of the Receiver or the Secured Party will be distributed as required by the PPSA or other applicable law. The Secured Party shall be accountable only for money actually received by it upon any sale, lease, or other disposition of the Collateral.

5.5 Deficiency

If the Proceeds of the realization of the Collateral are insufficient to fully pay the Obligations to the Secured Party, the Debtor will be liable to pay, and will immediately pay or cause to be paid, the deficiency to the Secured Party.

ARTICLE 6 GENERAL

6.1 Automatic Discharge

This Agreement and the Security Interests will be discharged upon full and indefeasible payment and performance of the Obligations. Upon discharge of this Agreement and the Security Interests and at the request of the Debtor, the Secured Party will execute and deliver to the Debtor such releases, discharges, financing statements and other documents or instruments as the Debtor may reasonably require and the Secured Party will redeliver to the Debtor, or as the Debtor may otherwise direct the Secured Party, any Collateral in its possession.

6.2 Security Additional

The Security Interests are in addition to and not in substitution for any other security now or in the future held by the Secured Party.

6.3 Realization

The Secured Party may realize upon various securities securing the Obligations or any part of them in any order that it sees fit, and realization by any means upon any security or part of it will not bar realization upon any other security or the Security Interests or any part of them.

6.4 Extensions

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor, sureties and others, and with the Collateral and other security interests, as the Secured Party may see fit without prejudice to the liability of the Debtor or to the Secured Party's right to hold and realize on the security constituted by this Agreement.

6.5 No liability

The Secured Party will not be liable or accountable for any delay or failure to seize, collect, realize, sell, or obtain payments for the Collateral or any part thereof and will not be bound to institute proceedings for the purpose of seizing, collecting, realizing, or obtaining possession or payment of the same for the purpose of preserving any right of the Secured Party, the Debtor, or any other party in respect of the same.

6.6 Notice

Notices must be in writing and may be personally delivered, sent by prepaid registered mail or sent by e-mail or other functionally equivalent electronic means of communication to the receiving Party at its address or e-mail address as follows:

Debtor:

Freshstone Brands Inc.
Suite 103, 5063 North Service Road
Burlington, ON L7L 5H6

Attention: Leigh Newton
Email: lnewton@homestyleselectionslp.com

Secured Party:

Frank Burdzy
203 Lynx Ridge Road NW
Calgary, AB T3L 2M4

Email: fburdzy@homestyleselectionslp.com

or at any other address or e-mail address as any Party may from time to time advise the other Party in accordance with this Section 6.6.

6.7 Amendment and Waiver

This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Secured Party and the Debtor. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision, whether or not similar, nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

6.8 Further Assurances

Each Party will, at the requesting Party's cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the other Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required from time to time by all regulatory or governmental authorities.

6.9 Assignment

Neither this Agreement nor any rights or obligations under this Agreement may be assigned by any Party without the prior written consent of each of the other Parties.

6.10 Enurement

This Agreement is binding upon the Debtor and its successors and permitted assigns, and enures to the benefit of the Secured Party and its successors and permitted assigns.

6.11 Electronic Delivery

This Agreement may be executed and delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission.

[Signature Page Follows]

The Debtor has executed and delivered this Agreement as of the date noted at the beginning of the Agreement.

FRESHSTONE BRANDS INC.

Per:



Name: Leigh Newton

Title: Authorized Signatory

EXHIBIT "N"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

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Commissioner for Taking Affidavits

AMENDED AND RESTATED GENERAL SECURITY AGREEMENT

THIS AGREEMENT is dated as of May 8, 2026.

B E T W E E N :

Freshstone Brands Inc.

(the “**Debtor**”)

- and -

Frank Burdzy

(the “**Secured Party**”)

CONTEXT:

- A.** The Debtor has issued a second amended and restated secured promissory note in the original principal amount of \$1,150,000, dated as of the date hereof, in favour of the Secured Party (as further amended, restated, supplemented or otherwise modified from time to time, the “**First Note**”).
- B.** The Debtor has issued an amended and restated secured promissory note in the original principal amount of \$2,000,000, dated as of the date hereof, in favour of the Secured Party (as further amended, restated, supplemented or otherwise modified from time to time, the “**Second Note**”).
- C.** The Debtor has issued a secured promissory note in the original principal amount of \$2,000,000, dated as of the date hereof, in favour of the Secured Party (as amended, restated, supplemented or otherwise modified from time to time, the “**Third Note**”).
- D.** The Debtor has agreed to execute and deliver this Agreement to and in favour of the Secured Party as security for the payment and performance of the Obligations.

THEREFORE, the Debtor agrees with the Secured Party as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, in addition to terms defined elsewhere in this Agreement, including Schedule A hereto, the following terms have the following meanings:

- 1.1.1 “**Agreement**” means this amended and restated general agreement as it may be amended, restated, supplemented or otherwise modified from time to time.

- 1.1.2 “**Cash Collateral**” has the meaning given to it in the Cash Collateral Security Agreement.
- 1.1.3 “**Cash Collateral Security Agreement**” means the cash collateral security agreement dated as of the date hereof between the Debtor and Canadian Imperial Bank of Commerce, as it may be amended, restated, supplemented or otherwise modified from time to time.
- 1.1.4 “**Collateral**” means all present and after-acquired personal property owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, including all present and after-acquired Goods (including Equipment and Inventory), Investment Property, Instruments, Documents of Title, Chattel Paper, Intangibles (including Accounts), Money, crops and fixtures, owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights, and all Proceeds of that property, but specifically excludes Excluded Assets.
- 1.1.5 “**Encumbrance**” has the meaning given to it in Schedule A hereto.
- 1.1.6 “**Excluded Assets**” has the meaning given to it in Section 2.3.1.
- 1.1.7 “**Notes**” means the First Note, the Second Note and the Third Note.
- 1.1.8 “**Notice**” means any notice, demand, request, consent, approval or other communication that is required or permitted by this Agreement to be given or made by a Party.
- 1.1.9 “**Obligations**” means all present and future indebtedness, liabilities and obligations of the Debtor to the Secured Party under the Notes.
- 1.1.10 “**Parties**” means, collectively, the Debtor and the Secured Party and “**Party**” means any of them.
- 1.1.11 “**Permitted Encumbrances**” has the meaning given to it in Schedule A hereto.
- 1.1.12 “**Person**” has the meaning given to it in Schedule A hereto.
- 1.1.13 “**PPSA**” means the *Personal Property Security Act* (Alberta), together with all regulations thereunder, in each case, as the same may be in effect from time to time, or similar legislation of any other jurisdiction in Canada, the laws of which are required by such legislation to be applied in connection with the issue, perfection, effect of perfection, enforcement, enforceability, opposability, validity or effect of Encumbrances.
- 1.1.14 “**Receiver**” means a receiver, receiver-manager, trustee, custodian, liquidator, monitor or similar official.
- 1.1.15 “**Security Interests**” means the Encumbrances granted and created in this Agreement.

1.2 Incorporated Definitions

Capitalized terms not otherwise defined in this Agreement have the definitions set out in the PPSA.

1.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

1.4 Rules of Interpretation

In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words “including” and “includes” in this Agreement is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.

ARTICLE 2 GRANT OF SECURITY INTEREST

2.1 Security Interests

As security for the payment and performance of the Obligations, the Debtor mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, and the Secured Party takes a security interest in, all of the Debtor’s right, title and interest in and to the Collateral.

2.2 Attachment

The Debtor acknowledges that (i) it has not agreed to postpone the time of attachment of the Security Interests, (ii) value has been given, (iii) it has rights in the Collateral (other than after-acquired Collateral) and (iv) it has received a copy of this Agreement.

2.3 Scope of Security Interests

2.3.1 Notwithstanding any other provision of this Agreement, the Security Interest shall not extend or apply to (collectively, the “**Excluded Assets**”):

2.3.1.1 Consumer Goods;

2.3.1.2 the Cash Collateral (provided that, contemporaneously with the termination of the Cash Collateral Security Agreement, the Cash Collateral shall cease to be an Excluded Asset and shall form part of the Collateral, and the Security Interest shall attach thereto, in each case, without the need for any further or other deed, act or consideration);

2.3.1.3 the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Debtor, but should the Security Interest become enforceable, the Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any Person acquiring such term or the part thereof mortgaged and charged in the course of any enforcement of the said mortgage, charge and security or any realization of the subject matter thereof;

2.3.1.4 any present or after-acquired agreement, right, franchise, licence or permit (for the purpose of this Section 2.3.1.4, the “contractual rights”) to which the Debtor is a party or of which the Debtor has the benefit to the extent that the creation of the mortgage, charge or security therein would constitute a breach of the terms of or permit any Person to terminate any of the contractual rights or otherwise constitute a breach of or violation under any existing applicable law to which the Debtor is subject, provided that all such contractual rights will be held in trust by the Debtor for the benefit of the Secured Party (provided that, notwithstanding the foregoing, the Security Interest shall apply to any proceeds of the disposition of any such contractual rights and the

Debtor further agrees to hold such proceeds in trust for the Secured Party, and provided further that, the Security Interest shall extend to the contractual rights upon delivery by the Secured Party to the Debtor of written notice to such effect following the occurrence of an Event of Default); or

2.3.1.5 the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Debtor, but the Debtor will stand possessed of any such last day upon trust to assign and dispose of it as the Secured Party may reasonably direct.

2.3.2 The Security Interests with respect to trade-marks, if any, constitutes an Encumbrance in, and a charge, hypothecation and pledge of, such Collateral in favour of the Secured Party, but do not constitute an assignment or mortgage of such Collateral to the Secured Party.

2.3.3 Until the Security Interests are enforceable, the grant of the Security Interests in any intellectual property do not affect in any way the Debtor's rights to commercially exploit the intellectual property, defend it, enforce the Debtor's rights in it or with respect to it against third parties in any court or claim and be entitled to receive any damages with respect to any infringement of it.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties

The Debtor represents and warrants to the Secured Party that:

3.1.1 **Corporate Existence.** It is duly incorporated and validly existing under the laws of the jurisdiction of its incorporation.

3.1.2 **Name.** The full legal name of the Debtor, and any other name under which it conducts its business, is correctly specified on the signature page of this Agreement.

3.1.3 **Location of Collateral.** All of the tangible Collateral is located in Ontario, Alberta, Saskatchewan and Prince Edward Island, except for goods in transit and goods which are being leased out or are being sold on a conditional sale (or similar) basis.

3.1.4 **Owns Collateral.** The Debtor either owns, possesses and has good and marketable title to, or has enforceable leasehold or other rights to, all currently held Collateral, free from all Encumbrances (other than Permitted Encumbrances).

3.1.5 **Execution.** The execution, delivery, and performance by the Debtor under this Agreement and the granting of the Security Interests herein will not result in a breach of any agreement to which the Debtor is a party.

3.2 Covenants

The Debtor covenants and agrees with the Secured Party that it will not, without the prior written consent of the Secured Party:

3.2.1 sell, lease or otherwise dispose of the Collateral or any part of it (other than Equipment or Inventory in the ordinary course of business), and if any sale, lease or other disposition is

permitted or consented to it will pay the Proceeds to the Secured Party, other than Proceeds from the sale, lease or disposition of Equipment or Inventory in the ordinary course of business which do not need to be paid to the Secured Party;

- 3.2.2 release, surrender or abandon the Collateral or any part of it;
- 3.2.3 move the Collateral or any part of it from its present location or locations without providing at least 15 days prior written notice to the Secured Party, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Secured Party have a valid and perfected Encumbrance in the Collateral;
- 3.2.4 allow the Collateral to be or become subject to any Encumbrances (other than Permitted Encumbrances);
- 3.2.5 change its name, adopt a French form of name or change its jurisdiction of formation, in each case, without providing at least 15 days prior written notice to a Secured Party; or
- 3.2.6 allow its existence to cease or amalgamate with any other corporation.

ARTICLE 4 EVENTS OF DEFAULT

4.1 Events of Default

The occurrence of any one or more of the following events or conditions will be an event of default under this Agreement ("**Event of Default**"):

- 4.1.1 the Debtor defaults in payment to the Secured Party of any indebtedness or liabilities forming part of the Obligations past any cure period set out in the Notes;
- 4.1.2 the Debtor defaults in performance of any of the Obligations other than payment under Section 4.1.1 and such default remains unremedied for a period of fifteen (15) business days following written notice of such failure from the Secured Party;
- 4.1.3 the Debtor defaults in the observance or performance of any of the terms, conditions or covenants to be observed or performed by the Debtor under this Agreement or the Notes (not otherwise specifically dealt with in this Section 4.1) and such default remains unremedied for a period of fifteen (15) business days following written notice of such failure from the Secured Party;
- 4.1.4 the Debtor ceases to carry on its business, sells or otherwise disposes of all of substantially all of the assets of its business, or if a direct or indirect change of control occurs with respect to the shares in the capital of the Debtor;
- 4.1.5 the Debtor commits any act of bankruptcy, or becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) or similar legislation in Canada or any other jurisdiction (including without limitation the *Companies' Creditors Arrangement Act* (Canada)), or if an application for a bankruptcy order is filed against the Debtor;
- 4.1.6 proceedings are commenced against or affecting the Debtor seeking the appointment of, or any creditor of the Debtor or any other Person privately appoints, a Receiver for the Debtor or any

part of the Debtor's property, including the Collateral or any part of it unless such proceedings are being actively and diligently contested in good faith by such Person and are stayed within 30 days of being commenced;

- 4.1.7 a default (after the giving of all applicable notices or the expiry of all applicable grace or cure periods) in payment, or an event of default which has resulted in the acceleration of the indebtedness under any one or more agreements, indentures or instruments under which the Debtor has outstanding indebtedness or other material obligations (other than the Notes) secured by a charge upon any of the Collateral in priority to, or *pari passu* with, the charge created by this Agreement shall happen and be continuing, or any such indebtedness of the Debtor which is payable on demand is not paid on demand;
- 4.1.8 any act, matter, or thing is done toward terminating the corporate existence of the Debtor, provided that the Debtor shall have a period of five (5) business days from the date it has knowledge of such potential termination of existence within which to cure such default;
- 4.1.9 any execution, attachment, distress, or other process of any court becomes enforceable against any of the property of the Debtor, or an attachment or distress or like process is levied upon any of such property;
- 4.1.10 the Debtor permits any sum which has been admitted or is not disputed to be due by it and which is or may be a charge upon any of the Collateral in priority to, or *pari passu* with, the charge created by this Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce such charge; or
- 4.1.11 any representation or warranty herein contained or financial statement or any other information furnished to the Secured Party by the Debtor is false or misleading in any material respect.

ARTICLE 5 RIGHTS UPON DEFAULT

5.1 Acceleration

If an Event of Default occurs and is continuing then the Secured Party may declare all or any part of the Obligations, whether or not by their terms payable on demand, immediately due and payable, by issuing a demand notice to the Debtor.

5.2 Security Interests Enforceable

The occurrence of an Event of Default which is continuing will cause the Security Interests to become enforceable upon provision of notice by the Secured Party to the Debtor.

5.3 Remedies of the Secured Party

If the Security Interests become enforceable, the Secured Party may enforce their rights by any one or more of the following remedies:

- 5.3.1 by taking possession of the Collateral or any part of it, and collecting, demanding, suing, enforcing, recovering, receiving and otherwise getting in the Collateral, and for that purpose

entering into and upon any lands, buildings, and premises and doing any act and taking any proceedings in the name of the Debtor, or otherwise, as the Secured Party considers necessary;

- 5.3.2 by proceedings in any court of competent jurisdiction for the appointment of a Receiver or of all or any part of the Collateral;
- 5.3.3 by proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;
- 5.3.4 by filing of proofs of claim and other documents to establish its claims in any proceeding or proceedings relating to the Debtor;
- 5.3.5 by sale or lease or other disposal by the Secured Party of all or any part of the Collateral, which it has taken possession of (without notice to the Debtor), but it shall not be incumbent on the Secured Party to sell, lease, or otherwise dispose of the Collateral and it shall be lawful for the Secured Party peaceably to use and possess the same without hindrance or interruption by either the Debtor or any other Persons whomsoever;
- 5.3.6 by appointment by instrument in writing of a Receiver of all or any part of the Collateral on any terms as to remuneration and otherwise as the Secured Party think fit, or by removing and appointing a replacement for any such Receiver, and any such Receiver so appointed will have the power:
 - 5.3.6.1 to take possession of, collect, demand, sue on, recover, receive, realize on or enforce against the Collateral, and for that purpose to give valid and binding receipts and discharges for and in respect of it, and take any proceedings in the name of the Debtor or otherwise as may seem expedient;
 - 5.3.6.2 to carry on or manage all or any part of the business of the Debtor;
 - 5.3.6.3 to borrow money on the security of the Collateral in priority to this Agreement or otherwise for the purpose of the maintenance, preservation or protection of the Collateral, for carrying on or managing all or any part of the business of the Debtor or for exercising any other power under this Agreement;
 - 5.3.6.4 to sell, lease, accept surrenders of leases of or otherwise dispose of the Collateral in whole or in part, at public auction, by public tender or by private sale, either for cash or upon credit, at the time and upon any terms and conditions as such Receiver may determine;
 - 5.3.6.5 to make any arrangement or compromise that such Receiver thinks expedient;
- 5.3.7 to notify any parties obligated on any of the Collateral to make payment to the Secured Party of any amounts due thereunder, and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such accounts, and to adjust, settle, or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done;
- 5.3.8 to make payments to parties having prior charges or encumbrances on the Collateral;
- 5.3.9 to elect to retain all or any part of the Collateral in satisfaction of the Obligations; and

5.3.10 by any other remedy or proceeding authorized or permitted by this Agreement or by law or equity, including all of the rights and remedies of a secured party under the PPSA,

and in exercising, delaying in exercising or failing to exercise, any such right or remedy the Secured Party will not incur any liability to the Debtor.

5.4 Proceeds of Disposition

The Proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied:

- (a) first, in payment of all costs and expense incurred by the Secured Party in the exercise of all or any of the powers granted to it under this Agreement and in payment of all remuneration of any Receiver of all or any part of the Collateral and all costs and expenses properly incurred by such Receiver in the exercise of all or any of the powers granted to it under this Agreement;
- (b) second, in payment of all amounts of money borrowed or advanced by either the Secured Party or any Receiver of all or any part of the Collateral pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, in payment of the Obligations, and
- (d) any surplus remaining in the hands of any Receiver of all or any part of the Collateral or the Secured Party will be distributed as required by the PPSA or other applicable law. The Secured Party shall be accountable only for money actually received by it upon any sale, lease, or other disposition of the Collateral.

5.5 Deficiency

If the Proceeds of the realization of the Collateral are insufficient to fully pay the Obligations to the Secured Party, the Debtor will be liable to pay, and will immediately pay or cause to be paid, the deficiency to the Secured Party.

ARTICLE 6 GENERAL

6.1 Automatic Discharge

This Agreement and the Security Interests will be discharged upon full and indefeasible payment and performance of the Obligations. Upon discharge of this Agreement and the Security Interests and at the request of the Debtor, the Secured Party will execute and deliver to the Debtor such releases, discharges, financing statements and other documents or instruments as the Debtor may reasonably require and the Secured Party will redeliver to the Debtor, or as the Debtor may otherwise direct the Secured Party, any Collateral in its possession.

6.2 Security Additional

The Security Interests are in addition to and not in substitution for any other security now or in the future held by the Secured Party.

6.3 Realization

The Secured Party may realize upon various securities securing the Obligations or any part of them in any order that it sees fit, and realization by any means upon any security or part of it will not bar realization upon any other security or the Security Interests or any part of them.

6.4 Extensions

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of Encumbrances and otherwise deal with the Debtor, sureties and others, and with the Collateral and other Encumbrances, as the Secured Party may see fit without prejudice to the liability of the Debtor or to the Secured Party's right to hold and realize on the security constituted by this Agreement.

6.5 No liability

The Secured Party will not be liable or accountable for any delay or failure to seize, collect, realize, sell, or obtain payments for the Collateral or any part thereof and will not be bound to institute proceedings for the purpose of seizing, collecting, realizing, or obtaining possession or payment of the same for the purpose of preserving any right of the Secured Party, the Debtor, or any other party in respect of the same.

6.6 Notice

Notices must be in writing and may be personally delivered, sent by prepaid registered mail or sent by e-mail or other functionally equivalent electronic means of communication to the receiving Party at its address or e-mail address as follows:

Debtor:

Freshstone Brands Inc.
Suite 103, 5063 North Service Road
Burlington, ON L7L 5H6

Attention: Leigh Newton
Email: lnewton@homestyleselectionslp.com

Secured Party:

Frank Burdzy
203 Lynx Ridge Road NW
Calgary, AB T3L 2M4

Email: fburdzy@homestyleselectionslp.com

or at any other address or e-mail address as any Party may from time to time advise the other Party in accordance with this Section 6.6.

6.7 Amendment and Waiver

This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Secured Party and the Debtor. No waiver of, failure to exercise or delay in exercising, any provision

of this Agreement constitutes a waiver of any other provision, whether or not similar, nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

6.8 Further Assurances

Each Party will, at the requesting Party's cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the other Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required from time to time by all regulatory or governmental authorities.

6.9 Assignment

Neither this Agreement nor any rights or obligations under this Agreement may be assigned by any Party without the prior written consent of each of the other Parties.

6.10 Enurement

This Agreement is binding upon the Debtor and its successors and permitted assigns, and enures to the benefit of the Secured Party and its heirs, executors, liquidators, administrators, personal representatives and assigns.

6.11 Electronic Delivery

This Agreement may be executed and delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission.

6.12 Amendment and Restatement

Effective as of the date hereof, the general security agreement dated as of October 28, 2025 (the "**Original Agreement**") granted by the Debtor in favour of the Secured Party is hereby amended and restated as set forth herein without in any way affecting the rights or obligations of any party which may have accrued as of the date hereof pursuant to the provisions of the Original Agreement prior to the amendment and restatement hereby, and is, as so amended and restated, ratified and confirmed.

[Signature Page Follows]

The Debtor has executed and delivered this Agreement as of the date noted at the beginning of the Agreement.

FRESHSTONE BRANDS INC.

Per:



Name: Leigh Newton

Title: Authorized Signatory

Acknowledged and Agreed:



FRANK BURDZY

SCHEDULE A

ADDITIONAL DEFINED TERMS

“Acquisition” shall mean, with respect to any Person, any purchase or other acquisition, regardless of how accomplished or effected (including any such purchase or other acquisition effected by way of amalgamation, merger, arrangement, business combination or other form of corporate reorganization or by way of purchase, lease or other acquisition arrangements), of (a) any other Person (including any purchase or acquisition of such number of the issued and outstanding securities of, or such portion of an Equity Interest in, such other Person) such that such other Person becomes a Subsidiary of the purchaser or of any of its Affiliates, (b) all or substantially all of the Property of any other Person, or (c) all or any portion of all of any division, business, or operation or undertaking of any other Person having a value in excess of \$500,000.

“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Capital Lease” means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.

“Cash Equivalents” means (i) short-term obligations of, or fully guaranteed by, the government of the United States of America or Canada, (ii) short-term obligations of, or fully guaranteed by, the government of a State of the United States of America or of a Province of Canada, in each case having a rating of “A-” (or the then equivalent grade) or better by a nationally recognized rating agency, (iii) commercial paper having a rating of “A-” (or the then equivalent grade) or better by Standard & Poor’s or Moody’s Investors Service, Inc., (iv) [reserved], (v) certificates of deposit issued by and time deposits with any Schedule I Canadian chartered bank or any other commercial bank or trust company (whether domestic or foreign) having capital and surplus in excess of \$500,000,000 and a senior unsecured rating of “A-” (or the then equivalent grade) or better by Standard & Poor’s or Moody’s Investors Service, Inc., and (vi) money market funds that invest substantially all of their assets in any of the foregoing; provided in each case that the same has a term not exceeding (A) one year in the case of (i) and (ii) above, and (B) three-hundred and sixty-five (365) days in the case of (iii) through (vi) above.

“Contingent Obligation” means, as to any Person, any obligation, whether secured or unsecured, of such Person guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any indebtedness, leases, dividends, letters of credit or other monetary obligations (the **“primary obligations”**) of any other Person (the **“primary obligor”**) in any manner, whether directly or indirectly, including any obligation of such Person as an account party in respect of a letter of credit or letter of guarantee issued to assure payment by the primary obligor of any such primary obligation and any obligations of such Person, whether or not contingent, (a) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (b) to advance or supply funds for the purchase or payment of any such primary obligation or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase Property, securities or services primarily for the purpose of assuring the obligee under any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) otherwise to assure or hold harmless the obligee under such primary obligation against loss in respect of such primary obligation; provided, however, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business and customary indemnities provided in agreements executed and delivered in respect of Acquisitions or Dispositions.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have corresponding meanings.

“Debt” means, with respect to any Person, without duplication, the aggregate of the following amounts, at the date of determination:

- (a) all indebtedness of such Person to any other Person for borrowed money;
- (b) all obligations of such Person for the deferred purchase price of Property or services which constitute indebtedness;
- (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments;
- (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (whether or not the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property);
- (e) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as Capital Leases;
- (f) all reimbursement obligations, contingent or otherwise, of such Person under bankers’ acceptance, letter of credit and similar facilities;
- (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any Equity Interests of such Person (for greater certainty, not including obligations with respect to unexercised options and rights of first refusal or where conditions precedent to the obligations have not occurred);
- (h) all Contingent Obligations of such Person (other than, for certainty, any Security);
- (i) all Earn Out Obligations that are due and payable;
- (j) all obligations of such Person under any Hedge Arrangements; and
- (k) any other obligation arising under arrangements or agreements including without limitation off-balance sheet financing that, in substance, provide debt financing to such Person.

For greater certainty, “Debt” shall exclude trade payables, customer deposits and accrued liabilities arising in the ordinary course of business.

“Disposition” means any sale, assignment, transfer, conveyance, lease or other disposition of any asset of the Debtor in a single transaction or a series of related transactions and the word **“Dispose”** shall have a correlative meaning. For certainty, (i) the purchase and sale of Cash Equivalents and (ii) the conversion of cash from one currency to another currency do not constitute Dispositions.

“Earn Out Obligations” means any amounts payable by the Debtor to any one or more sellers of applicable assets or Equity Interests following completion of an Acquisition and whether based on working capital purchase price adjustments, future performance, future profitability or otherwise (provided, for certainty, reimbursement for expenses, payments in connection with indemnity claims and other similar payments shall not constitute Earn Out Obligations).

“Encumbrance” means, in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person’s Property, or any consignment or Capital Lease of Property by such Person as consignee or lessee or any other security agreement, trust or arrangement

having the effect of security for the payment of any debt, liability or obligation, and “**Encumbrances**”, “**Encumbrancer**”, “**Encumber**” and “**Encumbered**” shall have corresponding meanings.

“**Equity Interest**” means (i) in the case of any corporation, all capital stock and any securities exchangeable for or convertible into capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participation rights or other equivalents of corporate stock (however designated) in or to such association or entity, (iii) in the case of a partnership, limited liability company or unlimited liability company, partnership or membership interests (whether general or limited), as applicable, and (iv) any other ownership interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person, and including, in all of the foregoing cases described in clauses (i), (ii), (iii) or (iv), any warrants, rights or other options to purchase or otherwise acquire any of the interests described in any of the foregoing cases.

“**GAAP**” means, generally accepted accounting standards for private enterprises as set out in the CPA Canada Handbook - Accounting Standards for Private Enterprises, as applicable, at the relevant time.

“**Governmental Authority**” means the government of Canada or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

“**Hedge Arrangement**” means, for any period, for any Person, any arrangement or transaction between such Person and any other Person which is an interest rate swap transaction, basis swap, forward interest rate transaction, commodity swap, interest rate option, forward foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency interest rate swap transaction, currency option or any other similar transaction (including any option with respect to any of such transactions or arrangements) designed to protect or mitigate against risks in interest, currency exchange or commodity price fluctuations.

“**Permitted Debt**” means:

- (a) the Obligations;
- (b) Debt in respect of Purchase Money Security Interests and Capital Leases in an outstanding amount not to exceed \$4,000,000 in the aggregate at any time;
- (c) Permitted Intercompany Debt;
- (d) Shareholder Subordinated Debt;
- (e) Earn Out Obligations;
- (f) [reserved];
- (g) any other Debt in an aggregate principal amount not exceeding \$1,000,000 at any time outstanding;
and
- (h) Debt consented to in writing by the Secured Party from time to time.

“Permitted Encumbrances” means, with respect to any Person, the following:

- (a) Encumbrances for Taxes, assessments and other governmental charges or levies not yet due or for which installments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person and in respect of which reasonable reserves under GAAP are maintained;
- (b) undetermined or inchoate liens, rights of distress and charges incidental to current operations which have not at such time been filed or exercised and of which the Secured Party has not been given notice, or which relate to obligations not due or payable, or the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (c) reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests therein, which do not materially affect the use of the affected land for the purpose for which it is used by that Person;
- (d) zoning, land use and building restrictions, survey exceptions, by-laws, regulations and ordinances of federal, provincial, state, municipal and other Governmental Authorities, licences, easements, rights-of-way and rights in the nature of easements (including, without limiting the generality of the foregoing, licences, restrictions, easements, servitudes, rights-of-way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) which do not materially impair the use of the affected land for the purpose for which it is used by that Person;
- (e) title defects, encroachments or irregularities or other matters relating to title which are of a minor nature and which in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person;
- (f) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (g) the Encumbrance resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers compensation, employment insurance, performance or surety bonds in the ordinary course of business;
- (h) security given to a public utility or any municipality or Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business provided that such security does not materially impair the use of the affected property for the purpose for which it is used by that Person;
- (i) liens securing appeal bonds or other similar liens arising in connection with court proceedings (including security for costs of litigation where required by law and letters of credit) or any other instrument serving a similar purpose not to exceed \$250,000 in aggregate outstanding at any time;
- (j) the Encumbrance created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings or is promptly satisfied by that Person and does not result in an Event of Default;
- (k) Encumbrances imposed by law, such as carriers', repairmen's, warehousemen's and mechanics' liens or other liens arising out of judgments or awards with respect to which an appeal or other proceeding for review is being prosecuted (and as to which any foreclosure or other enforcement

proceeding shall have been effectively stayed) not to exceed \$250,000 in aggregate outstanding at any time;

- (l) Encumbrances over assets created by an operating lease;
- (m) Encumbrances arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of conducting day-to-day banking business in relation to deposit accounts or other funds maintained with a creditor depository institution;
- (n) Encumbrances arising from the right of distress enjoyed by landlords or Encumbrances otherwise granted to landlords (including, without limitation, Encumbrances over rent deposits), in either case, to secure the payment of arrears of rent in respect of leased properties;
- (o) servicing agreements, development agreements, site plan agreements and other agreements with Governmental Authorities pertaining to the use or development of any of the assets of the Person, provided same are complied with in all material respects and do not materially impair the use of such assets in the operation of the business of such Person;
- (p) the Security;
- (q) Purchase Money Security Interests and Capital Leases, provided that such Encumbrances secure Permitted Debt; and
- (r) such other Encumbrances as agreed to in writing by the Secured Party in accordance with this Agreement.

"Permitted Intercompany Debt" means Debt owing by (i) the Debtor to any Subsidiary of the Debtor or (ii) a Subsidiary of the Debtor to the Debtor.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Property" means, with respect to any Person, all or any portion of its undertaking, property and assets, both real and personal, including for greater certainty any share in the capital of a corporation or ownership interest in any other Person.

"Purchase Money Security Interest" means an Encumbrance created or assumed by the Debtor securing Debt incurred to finance the unpaid acquisition price of personal Property (but, for certainty, excluding Equity Interests or in connection with an Acquisition) provided that in each case (i) such Encumbrance is created prior to, or concurrently with, the acquisition of such personal Property, (ii) such Encumbrance does not at any time encumber any Property other than the Property financed or refinanced (to the extent the principal amount is not increased) by such Debt and proceeds thereof, (iii) the amount of Debt secured thereby is not increased subsequent to such acquisition, and (iv) the principal amount of Debt secured by any such Encumbrance at no time exceeds 100% of the original acquisition price of such personal Property at the time it was acquired.

"Security" means all security (including guarantees) held from time to time by or on behalf of the Secured Party, securing or intended to secure directly or indirectly repayment of the Obligations and includes, without limitation, this Agreement.

"Shareholder Subordinated Debt" means debt owing by the Debtor to Homestyle Selections LP provided that such debt is deeply subordinated and postponed (and pledged to the Secured Party) to the Obligations

and the Security (with no payments of principal or interest while the Obligations are outstanding) pursuant to a subordination and postponement agreement in favour of the Secured Party, in form and substance satisfactory to the Secured Party.

“Subsidiary” means, at any time, as to any Person, any other Person, if at such time the first mentioned Person owns, directly or indirectly, securities or other ownership interests in such other Person, having ordinary voting power to elect a majority of the board of directors or Persons performing similar functions for such other Person, and shall include any other Person in like relationship to a Subsidiary of such first mentioned Person.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

EXHIBIT "O"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

Commissioner for Taking Affidavits

SECURED PROMISSORY NOTE

PRINCIPAL AMOUNT: Cdn. \$2,750,000

ISSUED: June 4, 2026 (the “**Effective Date**”)

1. **Promise to Pay:** FOR VALUE RECEIVED, **FRESHSTONE BRANDS INC.** (the “**Payor**”) hereby promises to pay on or before the Maturity Date (as defined below) to or to the order of **FRANK BURDZY** (the “**Holder**”) at such address as the Holder may specify from time to time, the principal amount of TWO MILLION SEVEN HUNDRED FIFTY DOLLARS (Cdn. \$2,750,000) in lawful money of Canada (the principal amount outstanding hereunder from time to time being referred to herein as the “**Principal Amount**”) together with interest thereon at the rate of five percent (5%) per annum (the “**Interest Rate**”) from and after the Effective Date and interest on overdue and unpaid interest, before and after demand, default and judgment, at the Interest Rate and at the times and manner specified herein.
2. **Interest:**
 - (a) Interest hereunder shall accrue daily, commencing on and including the Effective Date until the full repayment of the Principal Amount, and be calculated on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and shall be payable monthly, in arrears, on the last Business Day of each and every month (commencing June 30, 2026), and on the Maturity Date (each, an “**Interest Payment Date**”).
 - (b) Notwithstanding the foregoing, interest payable on each Interest Payment Date in accordance with Section 2(a) shall be paid in kind (“**PIK Interest**”) on such Interest Payment Date, by capitalizing the entire amount of the PIK Interest payable on such Interest Payment Date to the Principal Amount, and the amount of such PIK Interest shall be deemed to be added to the Principal Amount hereunder.
3. **Maturity:** The Principal Amount, together with all accrued and unpaid interest, shall be due and payable on the earlier of (a) the date on which a majority of the board of directors of the Payor agree to indefeasibly prepay the Principal Amount, together with all accrued and unpaid interest, in full in accordance with Section 5, and (b) December 31, 2027 (the “**Maturity Date**”).
4. **Defined Terms:** In this Promissory Note, “**Business Day**” means any day other than a day which is a Saturday, a Sunday or a day on which banks in Calgary, Alberta are not generally open for business.
5. **Prepayment:** The Payor shall have the right and privilege of prepaying the whole or any portion of the Principal Amount, together with all accrued and unpaid interest thereon, at any time or times, without penalty.

6. **Security:** In consideration of the Holder advancing, in lawful money of Canada to the Payor, (i) Cdn. \$2,000,000 pursuant to a secured subordinated promissory note dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated secured promissory note dated as of May 8, 2026, and as it may be further amended, amended and restated, supplemented or otherwise modified from time to time), (ii) Cdn. \$1,150,000 pursuant to an unsecured subordinated promissory note dated as of July 10, 2025 (as amended and restated pursuant to an amended and restated secured subordinated promissory note dated as of October 28, 2025 and as further amended and restated pursuant to a second amended and restated secured promissory note dated as of May 8, 2026, and as it may be further amended, amended and restated, supplemented or otherwise modified from time to time), (iii) Cdn. \$2,000,000 pursuant to a secured promissory note dated as of May 8, 2026 (as it may be amended, amended and restated, supplemented or otherwise modified from time to time), and (iv) the Principal Amount pursuant to this Promissory Note, and as security for the obligations of the Payor owing under this Promissory Note, the Payor has executed and delivered a general security agreement in favour of the Holder dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated general security agreement dated as of May 8, 2026, and as it may be further amended, amended and restated, supplemented or otherwise modified from time to time).
7. **Miscellaneous:**
- (a) The Payor hereby waives presentment for acceptance and payment including applicable grace periods, demand, notice of dishonour and protest or a further notice of any kind and agrees that it shall remain liable in respect hereof as if presentment, demand, notice of dishonour and protest had been duly made or given.
 - (b) This Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

DATED as of the date first written above.

FRESHSTONE BRANDS INC.

Per: 

Authorized Signatory


EXHIBIT "P"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:



0773A8D4FF3744B

Commissioner for Taking Affidavits

OMNIBUS AMENDING AGREEMENT

This Omnibus Amending Agreement (this “**Amendment**”) is dated as of June 4, 2026.

B E T W E E N :

Freshstone Brands Inc.

(the “**Debtor**”)

- and -

Frank Burdzy

(the “**Holder**”)

CONTEXT:

- A.** The Debtor has issued in favour of the Holder (i) a second amended and restated secured promissory note in the original principal amount of \$1,150,000, dated as of May 8, 2026 (the “**First Note**”), (ii) an amended and restated secured promissory note in the original principal amount of \$2,000,000, dated as of May 8, 2026 (the “**Second Note**”) and (iii) a secured promissory note in the original principal amount of \$2,000,000, dated as of May 8, 2026 (the “**Third Note**”, and together with the First Note and the Second Note, the “**Existing Notes**”).
- D.** The Debtor granted an amended and restated general security agreement dated as of May 8, 2026 in favour of the Holder (the “**Security Agreement**”) as security for the payment and performance of its obligations under the Existing Notes.
- E.** Concurrently with the effectiveness of this Amendment, the Debtor will issue a secured promissory note in the principal amount of \$2,750,000 in favour of the Holder (the “**Fourth Note**”).
- F.** In connection with the Fourth Note, the Debtor has requested that the Existing Notes and the Security Agreement be amended as provided herein and the Holder has agreed to permit such amendments on the terms and conditions set forth in this Amendment.

THEREFORE, in consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

Section 1 Headings

Section headings in this Amendment are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

Section 2 Amendments to the Existing Notes

- (1) Section 6 of the First Note is hereby deleted in its entirety and replaced with the following:

“Security: In consideration of the Holder advancing Cdn. \$2,000,000 in lawful money of Canada to the Payor pursuant to a secured subordinated promissory note dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated secured promissory note dated as of the Effective Date, and as it may be further amended, amended and restated, supplemented or otherwise modified from time to time), and as security for the obligations of the Payor owing under this Promissory Note, the Payor has executed and delivered a general security agreement in favour of the Holder dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated general security agreement dated as of the Effective Date, and as it may be further amended, amended and restated, supplemented or otherwise modified from time to time).”

- (2) Section 5 of the Second Note is hereby deleted in its entirety and replaced with the following:

“Security: As security for the obligations of the Payor owing under this Promissory Note, the Payor has executed and delivered a general security agreement in favour of the Holder dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated general security agreement dated as of the Effective Date, and as it may be further amended, amended and restated, supplemented or otherwise modified from time to time).”

- (3) Section 6 of the Third Note is hereby deleted in its entirety and replaced with the following:

“Security: In consideration of the Holder advancing, in lawful money of Canada to the Payor, (i) Cdn. \$2,000,000 pursuant to a secured subordinated promissory note dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated secured promissory note dated as of the Effective Date, and as it may be further amended, amended and restated, supplemented or otherwise modified from time to time) and (ii) Cdn. \$1,150,000 pursuant to an unsecured subordinated promissory note dated as of July 10, 2025 (as amended and restated pursuant to an amended and restated secured subordinated promissory note dated as of October 28, 2025 and as further amended and restated pursuant to a second amended and restated secured promissory note dated as of the Effective Date, and as it may be further amended, amended and restated, supplemented or otherwise modified from time to time), and as security for the obligations of the Payor owing under this Promissory Note, the Payor has executed and delivered a general security agreement in favour of the Holder dated as of October 28, 2025 (as amended and restated pursuant to an amended and restated general security agreement dated as of the Effective Date, and as it may be further amended, amended and restated, supplemented or otherwise modified from time to time).”

Section 3 Amendments to the Security Agreement

- (1) The recitals of the Security Agreement are hereby amended by (i) adding the below paragraph as a new recital D and (ii) re-numbering the existing recital D to recital E:

“The Debtor has issued a secured promissory note in the original principal amount of \$2,750,000, dated as of the Amendment Date, in favour of the Secured Party (as amended, restated, supplemented or otherwise modified from time to time, the **“Fourth Note”**).”

- (2) Section 1.1 of the Security Agreement is hereby amended by:

- (a) deleting the definition of “Notes” in its entirety and replacing it with the following:

“**“Notes”** means the First Note, the Second Note, the Third Note and the Fourth Note.”

- (b) adding the following definition in the appropriate alphabetical order:

“**Amendment Date**” means June 4, 2026.”

Section 4 Reference to and Effect on the Existing Notes and the Security Agreement

- (1) This Amendment shall be construed in connection with and as part of each Existing Note and the Security Agreement, and except as specifically amended by this Amendment, each Existing Note and the Security Agreement shall remain in full force and effect.
- (2) Except to the extent expressly set forth herein, (a) the execution, delivery and effectiveness of this Amendment shall not directly or indirectly (i) constitute a consent or waiver of any past, present or future violations of any provisions of any Existing Note or the Security Agreement; (ii) amend, modify or operate as a waiver of any provision of any Existing Note or the Security Agreement or any right, power or remedy of the Holder thereunder; or (iii) constitute a course of dealing or other basis for altering any obligations or any other contract or instrument; and (b) the Holder reserves all of its rights, powers and remedies under each Existing Note and the Security Agreement and applicable law.

Section 5 Effectiveness

This Amendment shall become effective upon the following condition precedent being satisfied:

- (a) duly executed signature pages for this Amendment signed by the Debtor shall have been delivered to the Holder, and the Holder shall have duly executed this Amendment.

Section 6 Governing Law

This Amendment shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Section 7 Counterparts.

This Amendment may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, e-mail or other electronic means is as effective as a manually executed counterpart of this Amendment.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF the parties have executed this Amendment as of the date noted at the beginning of the Amendment.

DEBTOR:

FRESHSTONE BRANDS INC.

Per:



Name: Leigh Newton

Title: Authorized Signatory

HOLDER:

FRANK BURDZY

IN WITNESS WHEREOF the parties have executed this Amendment as of the date noted at the beginning of the Amendment.

DEBTOR:

FRESHSTONE BRANDS INC.

Per:

Name: Leigh Newton

Title: Authorized Signatory

HOLDER:



FRANK BURDZY

EXHIBIT "Q"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:



Commissioner for Taking Affidavits

Freshstone Brands Inc.
 18-Week Cash-Flow Forecast
 For the Period June 8, 2026 to October 16, 2026
 (CAD, in \$000's, unaudited)

Cash Flow Week		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Forecast
Week Ending	Notes	12-Jun-26	19-Jun-26	26-Jun-26	3-Jul-26	10-Jul-26	17-Jul-26	24-Jul-26	31-Jul-26	7-Aug-26	14-Aug-26	21-Aug-26	28-Aug-26	4-Sep-26	11-Sep-26	18-Sep-26	25-Sep-26	2-Oct-26	9-Oct-26	16-Oct-26	Total
Receipts																					
Customer Receipts	3	1,458	1,203	1,256	1,371	1,343	1,471	1,517	1,507	2,484	2,356	2,269	2,372	2,353	2,347	2,222	1,962	2,084	2,167	2,103	35,845
Other Receipts		-	-	-	300	-	-	-	300	-	-	-	-	-	300	-	-	-	-	300	1,200
Total Receipts		1,458	1,203	1,256	1,671	1,343	1,471	1,517	1,507	2,784	2,356	2,269	2,372	2,353	2,647	2,222	1,962	2,084	2,167	2,403	37,045
Operating Disbursements																					
Vendor Payments	4	(2,422)	(2,078)	(1,167)	(1,267)	(1,364)	(1,268)	(1,337)	(1,425)	(1,416)	(1,395)	(1,296)	(1,223)	(1,325)	(1,349)	(1,188)	(1,189)	(1,348)	(1,213)	(1,285)	(26,555)
Payroll & Benefits	5	(1)	(909)	(1)	(957)	(1)	(722)	(1)	(927)	(7)	(892)	(1)	(875)	(7)	(870)	(1)	(861)	(7)	(843)	(1)	(7,884)
Occupancy Costs	6	(200)	-	(73)	(143)	(96)	-	-	(169)	-	-	-	-	(169)	-	-	-	(130)	-	-	(979)
Operating Expenses	7	(425)	(67)	(290)	(261)	(15)	(232)	(45)	(25)	(15)	(320)	(45)	(25)	(15)	(25)	(218)	(55)	(15)	(25)	(169)	(2,288)
Total Operating Disbursements		(3,048)	(3,054)	(1,531)	(2,628)	(1,476)	(2,233)	(1,383)	(2,547)	(1,438)	(2,607)	(1,342)	(2,123)	(1,516)	(2,244)	(1,407)	(2,106)	(1,500)	(2,080)	(1,455)	(37,706)
Operating Cash Flow		(1,590)	(1,851)	(275)	(956)	(133)	(752)	134	(1,040)	1,346	(251)	928	249	837	403	815	(144)	584	87	949	(661)
Restructuring Costs																					
DIP Lender Fees & Interest	8	(70)	(15)	(20)	(15)	-	-	-	-	(60)	-	-	-	(46)	-	-	-	(24)	-	-	(250)
Professional Fees - Restructuring	9	(660)	(125)	(100)	(75)	(75)	(50)	(50)	(50)	(50)	(75)	(25)	(25)	(25)	(25)	(25)	(50)	(100)	(100)	(75)	(1,785)
Total Restructuring Costs		(730)	(140)	(120)	(90)	(75)	(50)	(50)	(50)	(110)	(50)	(75)	(25)	(71)	(25)	(25)	(50)	(124)	(100)	(75)	(2,035)
Total Net Cash Flow		(2,320)	(1,991)	(395)	(1,047)	(208)	(802)	84	(1,090)	1,236	(301)	853	224	766	378	790	(194)	460	(13)	874	(2,696)
Opening Cash Balance																					
Net Cash Flow		2,950	630	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	2,950
DIP Drawdown / (Repayment)	10	(2,320)	(1,991)	(395)	(1,047)	(208)	(802)	84	(1,090)	1,236	(301)	853	224	766	378	790	(194)	460	(13)	874	(2,696)
Closing Cash Balance / (Deficit)		630	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	254
Borrowing Base Calculation																					
Opening DIP Facility Balance		-	-	1,561	1,956	3,003	3,211	4,013	3,928	5,018	3,782	4,083	3,230	3,006	2,240	1,862	1,072	1,266	806	819	
DIP Facility Draw / (Repayment)		-	1,561	395	1,047	208	802	(84)	1,090	(1,236)	301	(853)	(224)	(766)	(378)	(790)	194	(460)	13	(819)	
Ending DIP Facility Balance		-	1,561	1,956	3,003	3,211	4,013	3,928	5,018	3,782	4,083	3,230	3,006	2,240	1,862	1,072	1,266	806	819	-	
Borrowing Base Availability		2,717	3,694	2,948	3,988	3,336	4,149	3,930	5,376	4,432	5,259	4,421	5,138	4,165	4,840	4,076	4,913	4,096	4,871	4,045	
Excess Availability / (Shortfall)		2,717	2,133	991	985	126	136	2	358	650	1,177	1,191	2,132	1,925	2,978	3,004	3,646	3,290	4,051	4,045	

Notes

(1) The cash flow forecast (the "Forecast") has been prepared by management for the purpose of estimating Freshstone Brands Inc.'s (the "Company") projected liquidity requirements for the period from June 8, 2026 to October 16, 2026 (the "Forecast Period"). The Forecast is presented in Canadian dollars.

(2) Any amounts denominated in US dollars have been translated into Canadian dollars using a foreign exchange rate of 1.375.

(3) Customer Receipts are based on past performance and anticipated customer orders. Customer receipts are expected to increase between Week 9 due to an increase in receipts pertaining to contracts with certain key customers.

(4) Vendor Payments reflects estimated cash outflows related to the purchase and transportation of inventory necessary to support ongoing operations.

(5) Payroll & Benefits includes salaries, wages, remittances, employee benefits and taxes for salaried and hourly employees across the Company's facilities.

(6) Occupancy Costs reflects post-filing rent for the expected period of occupation of leased premises.

(7) Operating Expenses includes other general operational expenses.

(8) DIP Lender Fees & Interest encompasses interest, fees, and other financing charges under the DIP facility.

(9) Professional Fees - Restructuring includes legal and financial advisors associated with the CCAA proceedings and are based on estimates provided by the advisors.

(10) DIP Advances / Repayments reflect the Company's expected funding needs and capacity to repay amounts drawn under the DIP Facility, while maintaining a minimum cash balance of \$200,000 throughout the Forecast Period.

(11) The forecast Borrowing Base Availability is pursuant to the terms of the DIP Agreement.

EXHIBIT "R"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

Commissioner for Taking Affidavits

Court File No. _____

**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 A PLAN OF COMPROMISE OR ARRANGEMENT OF
FRESHSTONE BRANDS INC. (the "**Applicant**")

CONSENT

DELOITTE RESTRUCTURING INC. is a licensed trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*.

DELOITTE RESTRUCTURING INC. is not subject to any of the restrictions on who may be appointed monitor as set out in section 11.7(2) of the *Companies' Creditors Arrangement Act*.

DELOITTE RESTRUCTURING INC. HEREBY CONSENTS to act as Monitor in the above-captioned proceedings.

Dated at Toronto this 8th day of June, 2026

DELOITTE RESTRUCTURING INC.

Per:  _____

**Nigel D. Meakin
Senior Vice President**

EXHIBIT "S"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:



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Commissioner for Taking Affidavits

DIP FACILITY LOAN AGREEMENT
DATED AS OF JUNE 8, 2026

WHEREAS the Borrower (as defined below) has requested that the DIP Lender (as defined below) provide financing to fund certain of the Borrower's cash requirements during the pendency of the proceedings (the "**CCAA Proceedings**") to be commenced by the Borrower under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") in accordance with the terms and conditions set out herein;

AND WHEREAS the DIP Lender has agreed to provide the DIP Facility (as defined below) in accordance with the terms and subject to the conditions set out herein in connection with the CCAA Proceedings.

NOW THEREFORE in consideration of the foregoing and their respective representations, warranties, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. **Defined Terms:** Capitalized terms that are not defined in the body of this Agreement have the meanings ascribed to them in Schedule A.
2. **Currency:** Unless otherwise stated, all monetary denominations shall be in lawful currency of Canada.
3. **Borrower:** Freshstone Brands Inc. (the "**Borrower**").
4. **DIP Lender:** Garrington Financial Services Inc. (the "**DIP Lender**").
5. **DIP Facility and Loan Amount:** Subject to the terms and conditions hereof, the DIP Lender agrees to provide to the Borrower a debtor-in-possession priority revolving credit facility (the "**DIP Facility**") in a maximum aggregate principal amount at no time exceeding the lesser of (i) **\$7,000,000 (seven million dollars)**, and (ii) an amount equal to the Borrowing Base then in effect.

The principal amount of any advance of the DIP Facility made in accordance with the terms of this Agreement (each an "**Advance**" and, collectively, the "**Advances**") that is repaid may be re-borrowed as a new Advance, subject to satisfaction of the terms of this Agreement.

6. **DIP Advances:** Each Advance shall be directly advanced to the Borrower upon satisfaction by the Borrower or waiver by the DIP Lender of the conditions precedent stated in Section 15 (only in the case of the initial Advance hereunder) and Section 16 (in the case of all Advances, including the initial Advance).
7. **Use of Proceeds:** The proceeds of the DIP Facility shall be used by the Borrower solely in accordance with, and subject to, the DIP Budget and the Court Orders: (a) to fund the ordinary course working capital and other general corporate purposes of the Borrower, (b) to fund the CCAA Proceedings, including, without limitation to pay the documented fees and expenses of the Monitor, counsel to the Monitor, counsel to the Borrower, Assistants (as defined in the Initial Order) and the sale advisor to the Borrower, (c) to pay Permitted Fees and Expenses, and (d) to pay amounts owing by the Borrower under the KERP. No proceeds may be used for any other purpose, except with the prior written approval of the DIP Lender (in its sole and absolute discretion). For greater certainty, the Borrower may not use proceeds of the DIP Facility to pay any pre-filing obligations without the

prior written consent of the DIP Lender, unless the payment of such obligations is included in the DIP Budget or is authorized under the Court Orders.

8. **Evidence of Indebtedness:** The DIP Lender shall maintain a register evidencing Advances and repayments under the DIP Facility and all other amounts owing from time to time hereunder. The DIP Lender's register constitutes, in the absence of manifest error, *prima facie* evidence of the Indebtedness of the Borrower to the DIP Lender pursuant to the DIP Facility.
9. **Interest:** The Advances from time to time outstanding shall bear interest at the Interest Rate.

All interest hereunder shall be computed on the basis of a year of 365 days and shall accrue daily and calculated and paid monthly in arrears (or at such time of any payment or prepayment as set out in this Agreement).

For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or fee to be paid under this Agreement is to be calculated on the basis of a period that is less than a calendar year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period that is less than a calendar year.

10. **Closing Fee:** On the date on which the initial Advance hereunder is made, the Borrower shall pay to the DIP Lender a commitment fee in an amount equal to \$70,000 which shall be fully earned on such date, with such fee, together with the Permitted Fees and Expenses invoiced prior to such date to be retained by the DIP Lender from the initial Advance made hereunder. The \$25,000 deposit paid in connection with the term sheet associated with this Agreement shall be applied to partially cover the costs incurred by the DIP Lender in preparing term sheet, this Agreement and the due diligence associated therewith.
11. **Collateral Monitoring Fee:** The Borrower shall pay to the DIP Lender a fully earned and non-refundable collateral monitoring fee (the "**Collateral Monitoring Fee**"), payable in the amount of \$5,000 on the date of the initial Advance and thereafter in the amount of \$5,000 monthly in advance on the first Banking Day of each calendar month.
12. **DIP Lender's Fees and Expenses:** The Borrower shall be responsible for all reasonable costs and expenses of the DIP Lender (including all reasonable fees, expenses and disbursements of outside counsel) in connection with the DIP Facility, including the preparation of this Agreement, the administration of the DIP Facility, the enforcement of any of its rights and remedies available hereunder and in connection with the CCAA Proceedings (collectively, "**Permitted Fees and Expenses**"). The Permitted Fees and Expenses shall be paid by the Borrower within five (5) Banking Days of being invoiced therefor provided that certain Permitted Fees and Expenses incurred on or prior to the date of the initial Advance, shall be paid from such initial Advance and the Borrower hereby irrevocably directs the Lender to apply proceeds of such initial Advance to such Permitted Fees and Expenses.
13. **DIP Budget:** Attached hereto as Schedule B is a detailed cash flow forecast (as replaced from time to time by the Updated Cash Flow, in accordance with the terms of this Section 13, the "**DIP Budget**"), which the DIP Lender acknowledges and agrees has been reviewed and approved by the DIP Lender and is in form and substance satisfactory to the DIP Lender. On Friday of each week, commencing on Friday June 12, 2026, the Borrower, with the assistance of the Monitor, shall provide the DIP Lender with a variance report (collectively, the "**Cash Flow Variance Report**"), certified by a senior officer of the Borrower (which certification shall acknowledge and agree that

the DIP Lender is relying on such certification in determining whether to accept an Updated Cash Flow), showing on a line-by-line basis (a) the cumulative actual receipts and disbursements and (b) the cumulative variances from the amounts in the DIP Budget for the period from the start of the DIP Budget to the prior Friday and noting therein all variances on a line by line basis from the amounts in the DIP Budget, with reasonably detailed explanations for all material variances. In addition, concurrently with the Cash Flow Variance Report, the Borrower may, but is not obligated to, provide to the DIP Lender an updated cash flow forecast, which if provided shall be substantially in the form of the DIP Budget (the “**Updated Cash Flow**”). Within three (3) Banking Days of delivery of an Updated Cash Flow, the DIP Lender shall provide to the Borrower a written notice (the “**Cash Flow Notice**”) confirming to the Borrower whether or not the Updated Cash Flow has been accepted as satisfactory to the DIP Lender, acting reasonably. If the DIP Lender delivers a Cash Flow Notice in which it states that the Updated Cash Flow is not acceptable to it, it shall provide reasonably detailed reasons for such determination and the existing DIP Budget shall remain in effect until the Borrower has delivered a revised Updated Cash Flow acceptable to the DIP Lender, acting reasonably. If the DIP Lender does not deliver a Cash Flow Notice within three (3) Banking Days of delivery of an Updated Cash Flow, the Updated Cash Flow shall be deemed to be accepted as satisfactory to the DIP Lender. If the DIP Lender accepts or is deemed to accept the Updated Cash Flow in accordance with the above, the DIP Budget shall be substituted by the Updated Cash Flow and the Updated Cash Flow shall be deemed to be the effective DIP Budget for the purposes of this Agreement.

14. **Borrowing Base Certificate:** Attached hereto as Schedule C is the initial certificate reflecting the Borrowing Base (a “**Borrowing Base Certificate**”) as of Friday May 28, 2026. Prior to 2:00pm (Toronto time) on Tuesday of each week, commencing on Tuesday June 9, 2026, the Borrower, with the assistance of the Monitor, shall provide the DIP Lender with an updated Borrowing Base Certificate in substantially the same form as that of Schedule C with values as of the most recent Friday of the previous week, certified by a senior officer of the Borrower which shall thereafter be deemed to be the effective Borrowing Base Certificate for the purposes hereof.
15. **Conditions Precedent to the Initial Advance:** The DIP Lender’s agreement to make the initial Advance hereunder is subject to the satisfaction of the following conditions precedent:
 - (a) the Borrower shall have provided to the DIP Lender a draft copy of all material documents to be served and/or filed in connection with its application for the Initial Order at least two (2) Banking Days before the earlier of service and filing thereof to permit review by the DIP Lender and its legal advisors, unless it is not practical in the circumstances to provide a draft copy of such material documents in such timing in which case the Borrower shall provide the DIP Lender with a draft copy of such material documents as far in advance as the circumstances permit, which materials (including the proposed Initial Order and all other proposed Court Orders) shall be in form and substance acceptable to the DIP Lender, acting reasonably;
 - (b) the Court shall have issued the Initial Order by no later than 5:00 pm (Toronto time) on June 12, 2026; and
 - (c) unless consented to by the DIP Lender in writing, the Initial Order shall not have been amended, restated, modified or varied in a manner adverse to the DIP Lender or vacated, stayed, set aside, or be subject to an appeal or a motion seeking leave to appeal.
 - (d) the DIP Lender shall have received all fees and other amounts due and payable, including reimbursement or payment of all out-of-pocket expenses (including legal fees and

expenses) required to be reimbursed or paid by the Borrower hereunder, provided that, for greater certainty certain of such amounts shall be deducted from the initial Advance as set out in the direction entered into in connection therewith;

- (e) the DIP Lender shall have received corporate resolutions in respect of the Borrower authorizing the execution, delivery and performance of this Agreement; and
- (f) the Borrower shall have paid all statutory liens, trust and other government claims that are then due and owing, including, without limitation, source deductions that if unpaid would result in a lien, encumbrance or trust claim on the Collateral in priority or *pari passu* to the DIP Lender.

16. **Conditions Precedent to each Advance (including the Initial Advance):** The DIP Lender's agreement to make any Advance hereunder (including the initial Advance) is subject to the satisfaction of the following conditions precedent:

- (a) the Borrower shall have delivered to the DIP Lender an Advance notice in the form of Schedule D hereof no later than 12:00pm (Toronto time) one (1) Banking Day prior;
- (b) unless consented to by the DIP Lender in writing, the Initial Order or, from and after issuance thereof, the Amended and Restated Initial Order, shall not have been amended, restated, modified or varied in a manner adverse to the DIP Lender, or vacated, stayed, set aside, or be subject to an appeal or a motion seeking leave to appeal;
- (c) all representations and warranties contained in this Agreement shall be true and correct on the date of such requested Advance with the same effect as if made on and as of such date;
- (d) no Event of Default that has not been waived by the DIP Lender shall have occurred or be expected to occur as a result of the requested Advance;
- (e) there shall be no Encumbrance upon the Collateral ranking *pari passu* with or in priority to the DIP Charge, other than the Permitted Priority Liens;
- (f) there shall not have occurred any event or development that has had or could reasonably be expected to have a Material Adverse Effect on the Borrower, the Business or the Collateral, as determined by the DIP Lender in its reasonable discretion;
- (g) the operations of the Borrower shall comply in all material respects (as determined by the DIP Lender, in its reasonable discretion) with the DIP Budget;
- (h) the Borrower is diligently and in good faith continuing its restructuring efforts under the CCAA Proceedings;
- (i) the amount of any requested Advance shall not exceed the amount of cash then projected to be required by the Borrower in the week immediately after the delivery of the applicable Borrowing Base Certificate, in accordance with the DIP Budget then in effect and approved by the DIP Lender, and taking into account cash on hand at the time, and anticipated receivables; and

- (j) the sum of the principal amounts of all Advances then outstanding that have not at such time been repaid, would not, after the making of any requested Advance, exceed the amount of the then existing Borrowing Base.
17. **DIP Charge:** All obligations of the Borrower under or in connection with the DIP Facility and this Agreement, including without limitation, all principal and interest and the Permitted Fees and Expenses (collectively, the “**DIP Obligations**”) shall be secured by a Court-ordered priority charge as described in Section 18 below on the Collateral in favour of the DIP Lender (the “**DIP Charge**”).
18. **Priority of DIP Charge:** The DIP Charge shall have priority on the Collateral over any and all other Encumbrances, other than the Permitted Priority Liens (which, for greater certainty, includes the Administration Charge).
19. **Repayment and Maturity Date:** The DIP Facility shall terminate and all DIP Obligations owing to the DIP Lender shall be due and payable on the earliest of the following:
- (a) November 30, 2026 or such later date as agreed in writing by the DIP Lender;
 - (b) the completion of a sale or sales of all or substantially all of the Borrower’s assets, property and undertaking, or of all or substantially all of the shares of the Borrower or of all or substantially all of the Borrower’s business;
 - (c) the implementation of a plan of compromise or arrangement pursuant to the CCAA Proceedings;
 - (d) the date on which the stay in the Initial Order or the Amended and Restated Initial Order expires without being extended or on which the CCAA Proceedings is terminated or dismissed; and
 - (e) an Event of Default which has not been waived by the DIP Lender and in respect of which the DIP Lender has elected, in its sole discretion, to accelerate the DIP Obligations.

(such earliest date, the “**Maturity Date**”).

The Maturity Date may be extended from time to time at the request of the Borrower and with the prior written consent of the DIP Lender for such period and on such terms and conditions as the Borrower, the DIP Lender and, in the case of any material amendments to the terms hereof, to which the Monitor agrees and the Court approves.

The DIP Lender’s commitment to make Advances under the DIP Facility shall expire on the Maturity Date and all then outstanding DIP Obligations shall be repayable as at the Maturity Date.

20. **Mandatory Prepayments:** Subject to the terms and conditions herein, and unless otherwise agreed upon with the DIP Lender, the Borrower, within three (3) Banking Days after the receipt of the proceeds described in Sections 20 (a) or (b) below, shall repay the DIP Obligations with the following amounts received after the date hereof, subject to the prior payment in respect of any amount secured by the Permitted Priority Liens and the establishment of appropriate reserves (in each case as determined by the Monitor and the DIP Lender each acting reasonably, or as otherwise ordered by the Court) in respect of any future amount that may become owing by the Borrower that would be secured by a Permitted Priority Lien or otherwise considered necessary for the completion

of the CCAA Proceedings (as determined by the Monitor and the DIP Lender, acting reasonably, or as otherwise ordered by the Court):

- (a) insurance proceeds (net of deductibles) or expropriation awards received by the Borrower or any Person on the Borrower's behalf, except any insurance proceeds relating to the directors and officers' insurance policy subscribed by the Borrower on behalf of its directors and officers; and
- (b) the net cash proceeds from: (i) the sale of any equity interests in the Borrower, (ii) the receipt of capital contributions by the Borrower, or (iii) the sale of assets of the Borrower outside of the normal course of business.

Any mandatory prepayment made hereunder may be re-borrowed, subject to satisfaction of the terms of this Agreement.

In addition, if at any time the principal amount of the Advances outstanding hereunder shall exceed the Borrowing Base then the Borrower shall, within two (2) Banking Days of notice thereof repay any such excess.

21. **Optional Prepayment:** The Borrower may, without premium or penalty, voluntarily repay or prepay any principal amount of the DIP Obligations, subject to the establishment of appropriate reserves for, *inter alia*, payment of any amount secured by the Permitted Priority Liens, as determined by the Monitor and the DIP Lender, acting reasonably, or as otherwise ordered by the Court. The Borrower shall give written notice to the DIP Lender of each voluntary prepayment not less than three (3) Banking Days prior to such voluntary prepayment. Such notice shall be irrevocable and shall specify:

- (a) the date on which the prepayment is to take place; and
- (b) the principal amount of the prepayment.

Any voluntary prepayment may be re-borrowed, subject to satisfaction of the terms of this Agreement.

22. **Payments:** All payments of DIP Obligations by the Borrower hereunder shall be made for value in the full amount due at or before 4:00 pm (Toronto time) on the day such amount is due by deposit or transfer thereof to an account designated by the DIP Lender. Payments received after such time shall be deemed to have been made on the next following Banking Day. If any payment is due on a day which is not a Banking Day, such payment shall be due on the next following Banking Day and interest shall accrue until but excluding the actual date of payment.

Each payment to be made by the Borrower shall be made in full without deduction, set-off or counterclaim of any kind or for any reason. All payments required hereunder shall be made in lawful currency of Canada.

All amounts received in repayment of DIP Obligations shall be applied as follows: (i) first, to outstanding Permitted Fees and Expenses (ii) second to outstanding interest hereunder; (iii) third, towards outstanding principal hereunder, and (iv) fourth toward other outstanding DIP Obligations.

23. **Cash Management:**

- (a) The Borrower shall, at its own expense, enforce, collect and receive all amounts owing on its accounts in the ordinary course of its business and any proceeds it so receives shall be subject to the terms hereof.
- (b) All cheques, cash receipts, credit card sales and receipts, all collections of accounts receivable and all other proceeds, notes, instruments or property received by the Borrower with respect to the Collateral shall be deposited into one or more bank accounts of the Borrower (the “**Collection Accounts**”) held with Canadian Imperial Bank of Commerce. The Collection Accounts shall be segregated accounts of the Borrower, and the Borrower shall not be permitted to withdraw any funds from the Collection Accounts, or permit the withdrawal of any funds from the Collections Accounts, other than (A) Excepted Funds (B) for the payment of ordinary course banking fees associated with such Collection Accounts and (C) for immediate remittance of such funds to the DIP Lender in accordance with the terms of this Agreement.
- (c) The Borrower shall open new bank account(s) with Canadian Imperial Bank of Commerce from which accounts all disbursements shall be paid (the “**Disbursement Accounts**”) and into which all Advances shall be deposited.
- (d) On Friday of each week, commencing with Friday June 12, 2026, the Borrower shall remit all funds in the Collection Accounts (other than Excepted Funds) to the DIP Lender in reduction of the DIP Obligations and repayment of the Advances to be applied in the following order: (i) first towards Permitted Fees and Expenses, (ii) second towards indemnity obligations then due and payable by the Borrower to the DIP Lender pursuant to the terms of this Agreement, (iii) third towards unpaid interest then due, (iv) fourth towards principal and (v) fifth towards any other DIP Obligations then due and payable. The Borrower shall be permitted to transfer at any time Excepted Funds to a Disbursement Account.

24. **Representations and Warranties:** The Borrower represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this Agreement, that, subject to the granting of the Initial Order and the Amended and Restated Initial Order:

- (a) The Borrower is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is qualified to carry on business in each jurisdiction in which it owns property or assets or carries on business;
- (b) The transactions contemplated by this Agreement have been duly authorized, executed and delivered by or on behalf of the Borrower, and:
 - (i) are within the powers of the Borrower;
 - (ii) constitute legal, valid, binding and enforceable obligations of the Borrower;
 - (iii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected, other than breaches that are stayed by the Initial Order; and

- (iv) there is no requirement for the Borrower to make any filing with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Agreement;
- (c) The Business has been and will continue to be conducted in material compliance with applicable Law of each jurisdiction in which the Business has been or is being carried on, subject to the provisions of each Court Order made after the Filing Date;
- (d) The Borrower has obtained all Authorizations for the operation of the Business, which Authorizations remain, and after entering into the DIP Facility will remain, in full force and effect, and no proceedings have been commenced to revoke or amend any such Authorizations;
- (e) No expropriation or casualty event has occurred with respect to any of the Collateral;
- (f) No material pending litigation or proceeding exists against the Borrower or the Collateral, or seeking to enjoin or otherwise prevent or declare invalid or unlawful the occupancy, use, maintenance or operation of the assets or the conduct of the Business that has not been disclosed to the DIP Lender or that will not be stayed by the Initial Order;
- (g) The DIP Budget, any Updated Cash Flow, any Borrowing Base Certificate and any forward-looking statements, estimates, and pro forma financial information contained in this Agreement, certificate, document or statement furnished to the DIP Lender pursuant to this Agreement are based on good faith estimates and assumptions believed by the Borrower to be reasonable at the time made, as certified by a senior officer of the Borrower;
- (h) The Borrower has in full force and effect policies of insurance with sound and reputable insurance companies in such amounts, with such deductibles and risks as are customarily carried by companies engaged in similar businesses;
- (i) No Event of Default has occurred and is continuing that has not been waived by the DIP Lender;
- (j) The Borrower has filed in a timely fashion all required tax returns and reports (except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred) and paid all required taxes and remittances, including all employee source deductions (including income taxes, employment insurance and Canada pension plans), sales taxes (both federal and provincial), payroll taxes and workers compensation payments, and any taxes that are not yet due and payable or which are in dispute in which case appropriate reserves have been made;
- (k) No pension plan of the Borrower is a defined benefit pension plan, and all pension plans are established, registered, funded, invested, administered, operated and maintained under, and in compliance in all material respects with, all requirements of applicable Law;
- (l) Other than as a result of the CCAA Proceedings or as otherwise disclosed to the DIP Lender in writing prior to the date hereof, the Borrower is not in default under or with respect to any contract that is a Material Contract;

- (m) The Borrower has not entered into any material transaction or other written contractual relationship with any Affiliate or related party except as disclosed to the DIP Lender in writing prior to the date of this Agreement other than currently existing employment arrangements;
- (n) Any payments to shareholders, directors and senior executives of the Borrower or any Affiliate or related party, whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement to the extent known and contemplated for future payments, have been included and specified in the DIP Budget;
- (o) The DIP Charge provisions in the Initial Order and the Amended and Restated Initial Order are effective to create, in favour of the DIP Lender, a legal, valid, binding, and enforceable perfected security interest in the Collateral and the proceeds and products thereof; No information, report, financial statement, exhibit or schedule furnished by or on behalf of the Borrower to the DIP Lender in connection with the negotiation of this Agreement, or delivered hereunder or thereunder (including any Borrowing Base Certificate), contained, contains or will contain any material misstatement of fact or omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were or are made, not materially misleading;
- (p) The Borrower and each of its directors, officers, employees and agents is, and has conducted its business, in material compliance with all applicable anti-money laundering and anti-terrorist financing laws, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (collectively, “**AML Legislation**”), and no part of the proceeds of any Advance will be used, directly or indirectly, in violation of any AML Legislation;
- (q) The Borrower and each of its directors, officers, employees and, to its knowledge, agents is, and has conducted its business, in compliance in all material respects with all applicable anti-corruption laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the *Criminal Code* (Canada) (collectively, “**Anti-Corruption Laws**”), and no part of the proceeds of any Advance will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage;
- (r) The Borrower and each of its directors, officers, employees and, to its knowledge, agents is, and has conducted its business, in compliance in all material respects with all applicable sanctions laws and regulations, including those administered by the Government of Canada, the Office of Foreign Assets Control of the U.S. Department of the Treasury, and the United Nations (collectively, “**Sanctions**”), and no Advance will be used to fund any operations in, finance or facilitate any investments, activities, business or transaction with any Person or in any country or territory that is the subject of Sanctions;
- (s) No tangible Collateral (other than Collateral in transit to customers in the ordinary course of business) with a book value in excess of \$200,000 is located at any location not listed on Schedule H hereto (in all cases subject to the terms of Section 26(ff));
- (t) All contracts to which the Borrower is a party that are material to the Business are set forth on Schedule G hereto (collectively, the “**Material Contracts**”). The Borrower has not

received any written notice of any intention by any party to any Material Contract to terminate, cancel, amend in a way that is negative to the interests of the Borrower (that is not stayed by the Initial Order or the Amended and Restated Initial Order or unless otherwise indicated in Schedule G), or not renew any Material Contract.

- (u) The Borrower does not own any real property; and
- (v) The Borrower owns, or is licensed to use (including pursuant to the license agreements listed on Schedule I hereto, which Schedule I lists all such license agreements existing as of the date of this Agreement), all Intellectual Property necessary to conduct its Business as currently conducted and as expected to be conducted during the CCAA Proceedings. For greater certainty, the Borrower is not party to, and has not in the twelve months prior to the date of this Agreement been party to any license agreements or use agreements (including in relation to any recipes uses in the business of the Borrower) with any related party, or entity or person who was at any time a related party to the Borrower, whether written, oral or otherwise. No claim has been asserted in writing and is pending by any Person challenging or questioning the use of any Intellectual Property by the Borrower or the validity or effectiveness of any Intellectual Property, nor does the Borrower know of any such claim. To the Borrower's knowledge, the use of any Intellectual Property by the Borrower does not infringe on the rights of any Person.

25. **Affirmative Covenants:** The Borrower agrees and covenants to perform and do each of the following until the DIP Obligations are permanently and indefeasibly repaid in full and the DIP Facility is cancelled, except as otherwise agreed in writing by the DIP Lender:

- (a) Provide to the DIP Lender a draft copy of all material documents to be served and/or filed in connection with any application or motion brought by the Borrower for a court order (including the Amended and Restated Initial Order) at least five (5) Banking Days before the earlier of service and filing thereof to permit review by the DIP Lender and its legal advisors, unless it is not practical in the circumstances to provide a draft copy of such material documents in such timing in which case the Borrower shall provide the DIP Lender with a draft copy of such material documents as far in advance as the circumstances permit, which materials (including the proposed Amended and Restated Initial Order and all other proposed Court Orders) shall be in form and substance acceptable to the DIP Lender, acting reasonably;
- (b) Obtain from the Court which shall issue the Amended and Restated Initial Order in form and substance satisfactory to the DIP Lender, acting reasonably, by no later than 5:00 pm (Toronto time) on June 22, 2026;
- (c) Except to the extent served on the service list established in the CCAA Proceedings, provide to the DIP Lender, promptly upon receipt, a copy of any materials filed by third parties in connection with any application or motion to the Court or another court in respect of the CCAA Proceedings;
- (d) Comply in all material respects with the provisions of applicable Law, subject to the provisions of the Court Orders, including, without limitation, the Initial Order and, from and after issuance thereof, the Amended and Restated Initial Order;

- (e) Comply at all times with the DIP Budget, provided the Borrower shall be permitted to experience variation from the DIP Budget provided that such actual results are not outside of the Permitted Variance in any two consecutive one week measurement periods;
- (f) Deliver to the DIP Lender Cash Flow Variance Reports in accordance with Section 13 and such other information from time to time as is reasonably requested by the DIP Lender, unless such information is deemed privileged or confidential by the Borrower with the concurrence of the Monitor;
- (g) Deliver to the DIP Lender a Borrowing Base Certificate in accordance with Section 14;
- (h) Subject to disclosure restrictions set forth in a Court Order or pursuant to applicable Law, keep the DIP Lender apprised on a timely basis and as reasonably requested by the DIP Lender of all material developments with respect to the CCAA Proceedings, the Collateral and the Business and affairs of the Borrower;
- (i) Notify the DIP Lender forthwith of the occurrence of any Default or Event of Default or any event or circumstance that would constitute an Event of Default or material adverse change from the DIP Budget or any Updated Cash Flow;
- (j) Preserve, renew, maintain and keep in full force and effect its corporate existence and its Authorizations required in respect of the Business or any of the Collateral;
- (k) Maintain in full force all policies and contracts of insurance that are now in effect (or renewals thereof) under which the Borrower, the Business or any of the Collateral is insured, and furnish to the DIP Lender, on written request, confirmation that such insurance is carried, paid and current;
- (l) Pay when due all applicable Taxes and other amounts that are Priority Payables, permitting and licensing fees and other amounts necessary to preserve the Collateral to avoid any Encumbrance thereon;
- (m) Pay when due all principal, interest and Permitted Fees and Expenses payable by the Borrower under this Agreement;
- (n) Use commercially reasonable efforts to maintain or cause to be maintained in good repair, working order and condition (ordinary wear and tear excepted) all properties used or useful in the Business and make or cause to be made all appropriate repairs, renewals and replacements thereof;
- (o) Preserve, renew and keep in full force its corporate existence, and its contracts and permits that are material to the ongoing Business of the Borrower;
- (p) Promptly, upon becoming aware thereof, provide details of the following to the DIP Lender:
 - (i) any pending (or threatened in writing) litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against the Borrower, by or before any court, tribunal, Governmental Authority or regulatory body, which is not stayed by the Initial Order or the Amended and Restated Initial Order and that may have a Material Adverse Effect, and

- (ii) any material existing (or threatened in writing) default or dispute with respect to any contract or permit that is material to the ongoing Business of the Borrower, other than a monetary default.
- (q) Comply in all material respects with all AML Legislation, Anti-Corruption Laws and Sanctions at all times, and conduct its business in such a way and maintain adequate policies, procedures and controls to ensure that it and each of its directors, officers, employees and, to the extent it can, agents is in compliance with all AML Legislation, Anti-Corruption Laws and Sanctions, and that the representations and warranties set out in the foregoing paragraphs relating thereto are true and correct at all times;
- (r) Promptly give notice to the DIP Lender of any material breach of or non-compliance with any AML Legislation, Anti-Corruption Laws or Sanctions by the Borrower or any of its directors, officers, employees or agents;
- (s) Permit the DIP Lender, on reasonable notice, and for the account of the Borrower to conduct one (1) field exam and one (1) inventory appraisal shortly after the initial Advance under this Agreement (the “**Initial Exam/Appraisal**”). Thereafter, during the continuance of an Event of Default the DIP Lender may conduct any field exams and inventory appraisals as and when it considers appropriate in its sole and absolute discretion, and for the account of the Borrower. The costs to the Borrower of any field exam or inventory appraisal work conducted after the completion of the Initial Exam/Appraisal and in respect of field exams and inventory appraisals and related follow-up work associated therewith occurring outside of the occurrence of an Event of Default shall be capped at \$50,000 for the life of this Agreement. Field exams and inventory appraisal activities occurring when no Event of Default is continuing shall be conducted with reasonable prior notice and so long as the same does not unduly disrupt the business and operations of the Borrower. During any field exam and inventory appraisal activities the Borrower shall permit the DIP Lender to visit, or have any agent or service provider of the DIP Lender inspect, appraise and conduct field examinations of any or all of the Collateral and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss its business operations, properties and financial and other conditions with its officers, employees and its independent public accountants, subject to solicitor-client privilege, all Court Orders, applicable privacy laws and applicable confidentiality obligations;
- (t) As soon as available, but in any event not later than fifteen (15) days after the end of each calendar month, provide to the DIP Lender confirmation of payment of all Taxes owing by the Borrower to any Governmental Authority (including in respect of employee source deductions, sales taxes, payroll taxes, harmonized taxes) that, if unpaid, would or may have the benefit of an Encumbrance, lien or deemed trust claim ranking in priority to or *pari passu* with the DIP Charge;
- (u) Provide to the DIP Lender, on the last Banking Day of every other week, a status report and such other updated information relating to the conduct of the Business, the CCAA Proceedings, the sales process (if applicable) and such other information as may be reasonably requested by the DIP Lender, in form and substance reasonably acceptable to the DIP Lender;
- (v) The SISP Order shall have been issued and entered on or before 40 days after the issuance of the Initial Order, or such other date as agreed to by the DIP Lender; and

- (w) Maintain the patenting and registration of all material Intellectual Property (other than recipes) owned by it with the appropriate Governmental Authority and promptly apply to patent or register, as the case may be, all new material Intellectual Property (other than recipes) developed by the Borrower and notify the DIP Lender in writing five (5) Banking Days prior to filing any such new material patent or registration.
26. **Negative Covenants:** Except as may be reasonably necessary or required under the CCAA Proceedings, by Court Order or by Law, the Borrower covenants and agrees not to do the following, other than with the prior written consent of the DIP Lender:
- (a) Seek any Court Order that may adversely impact the DIP Lender;
 - (b) Use any Advance other than in accordance with the permitted uses hereunder (including, without limitation, under the DIP Budget) and the Court Orders;
 - (c) Except as contemplated by this Agreement or any Court Order, and except as otherwise required by Law, make any payment of any Indebtedness or obligations existing as at the Filing Date (the “**Pre-Existing Debt**”), other than in accordance with the DIP Budget;
 - (d) Create, incur or permit to exist any Indebtedness, other than: (i) in accordance with the DIP Budget; (ii) Pre-Existing Debt, and (iii) accounts payable in the ordinary course of Business;
 - (e) Except for Permitted Encumbrances, create or permit to exist any Encumbrance or provide or seek or support a motion by another Person to provide any Encumbrance, upon any of the Collateral;
 - (f) Present for acceptance by any creditors or approval by the Court any plan of compromise or arrangement or take any other action which contemplates or may result in a compromise or other impairment of the obligations to the DIP Lender or the DIP Obligations, or the rights of the DIP Lender under or in respect of this Agreement;
 - (g) Enter into or present for approval by the court any sale or other transaction involving all or substantially all of the Collateral, business or all or substantially all of the shares of the Borrower, which does not provide for the payment in full in cash upon closing of the DIP Obligations;
 - (h) Change its jurisdiction of incorporation, chief executive office or registered office;
 - (i) Enter into, or amend, any transaction or series of related transactions with any Affiliate, unless in connection with a Court-approved sale or other transaction involving all or substantially all of the Collateral, business or all or substantially all of the shares of the Borrower, which does not provide for the payment in full in cash upon closing of the DIP Obligations;
 - (j) Change its name, fiscal year end or accounting policies or amalgamate, consolidate with, merge into, dissolve or enter into any similar transaction with any other Person or permit a change of control of the Borrower, unless required in connection with a Court-approved sale or other transaction involving all or substantially all of the Collateral, business or all or substantially all of the shares of the Borrower;

- (k) Enter any restrictive covenants or agreements which might affect the value or liquidity of any Collateral;
- (l) Except in the ordinary course of business, move any of the Collateral outside of the Province of Ontario;
- (m) Create or acquire any new subsidiary, or otherwise make an investment in another person, except if contemplated by the DIP Budget or unless in connection with a Court-approved sale or other transaction involving all or substantially all of the Collateral, business or all or substantially all of the shares of the Borrower;
- (n) Purchase or redeem its shares or units or otherwise reduce its capital;
- (o) Cause, consent to, or permit any early termination, or material amendment or waiver of any terms or conditions of or obligations under any Material Contract or permit that is material to the ongoing Business or restructuring efforts of the Borrower;
- (p) Transfer, sell, lease, assign or otherwise dispose of any of the property, assets or undertaking of the Borrower except for: (i) the sale of assets in the ordinary course of business, or (ii) in accordance with the Initial Order, the Amended and Restated Initial Order, the SISP Order or any other Court Order to be rendered by the Court;
- (q) Cease (or threaten in writing to cease) to carry on the Business of the Borrower as currently being conducted or modify or alter in any material manner the nature and type of its operations, Business or the manner in which such business is conducted except as contemplated in the DIP Budget;
- (r) Declare or pay any dividends, or distributions to shareholders, or repay any shareholders' loans, interest thereon or share capital of the Borrower;
- (s) Make or give any financial assurances, in the form of bonds, letters of credit, financial guarantees or otherwise to any Person or Governmental Authority;
- (t) Enter into any arrangement with any Person whereby the Borrower shall sell or otherwise transfer any property owned by the Borrower and thereafter rent or lease such property or any other Person to whom funds have been or are to be advanced on the security of such property;
- (u) Enter into, renew, amend, modify or assume any employment, consulting, management, service or analogous agreement or arrangement with any director, senior or executive officer or senior management of the Borrower or any related party, or make any payment to any such Person in respect of any bonus, change of control payment or severance package of any kind whatsoever other than (i) as consented to by the Monitor and approved by the Court on prior notice to the DIP Lender, (ii) as consented to by the DIP Lender, or (iii) as set out in the DIP Budget;
- (v) Enter into or be a party to any transaction including any purchase, sale, lease, license or exchange of property, the rendering of any service or the payment of any management, advisory or similar fee, with any Person who is not at arm's length, other than (i) as consented to by the Monitor and approved by the Court on prior notice to the DIP Lender, or (ii) as consented to by the DIP Lender;

- (w) Apply for, or consent to, any new order, or amendment or modification to an existing order materially adversely affecting the DIP Lender, issued in the CCAA Proceedings;
- (x) Seek or apply to stay, reverse, appeal, vacate, discharge, terminate or amend the Initial Order or the Amended and Restated Initial Order or the Monitor's role as monitor thereunder;
- (y) File or support the confirmation of any plan of compromise or arrangement or liquidation other than an Acceptable Plan of Arrangement without the prior written consent of the DIP Lender;
- (z) Open or maintain any operating accounts, deposit accounts, securities accounts or other investment property accounts with any Person other than with a financial institution designated by the DIP Lender, except as required for the Collection Accounts and Disbursement Accounts established in accordance with this Agreement;
- (aa) Enter into, or be a party to, hedging arrangements of any kind;
- (bb) Create, incur, assume, or permit to exist any consensual limitation or restriction on the ability of the Borrower to (i) make any payment to the DIP Lender or perform or observe any of its covenants or agreements under this Agreement, or (ii) grant any Encumbrance on any of its assets in favour of the DIP Lender;
- (cc) Incur aggregate capital expenditures in any calendar month in excess of the amounts set out in the DIP Budget for such month;
- (dd) Establish, or make any amendments or changes to, any pension plan or benefit plan of the Borrower, or establish, maintain, participate in or contribute to any defined benefit pension plan;
- (ee) Change its articles, by-laws or other constating documents in any way that would have a material adverse effect on the DIP Lender or its rights under this Agreement; and
- (ff) Without providing the DIP Lender with at least thirty (30) days prior written notice, and providing an updated Schedule H hereto, change the location of any of its tangible personal property forming part of the Collateral other than (i) moving Collateral from one location on Schedule H to another location on Schedule H, and (ii) in connection with the sale or disposition of equipment by any liquidator which takes possession of same in accordance with the CCAA Proceedings.

27. **Events of Default:** The occurrence of any one or more of the following events shall constitute an event of default under this Agreement (each an “**Event of Default**”):

- (a) Failure of the Borrower to pay (i) any principal amount owing under this Agreement when due, whether at stated maturity, by acceleration, or otherwise; or (ii) any interest, fee or other amount payable hereunder when due and payable;
- (b) Failure of the Borrower to perform or comply with any term or covenant of this Agreement;
- (c) Failure of the Borrower to pay or remit any amounts that constitute Priority Payables as they become due from time to time;

- (d) The Initial Order or the Amended and Restated Initial Order is amended, restated or otherwise varied in a manner adverse to the DIP Lender without the consent of the DIP Lender or any Court Order is issued, dismissed, stayed, reversed, vacated, amended or restated and such issuance, dismissal, stay, reversal, vacation, amendment or restatement adversely affects or would reasonably be expected to adversely affect the interests of the DIP Lender under this Agreement, as determined by the DIP Lender, acting reasonably, including any Court Order:
 - (i) terminating, lifting or amending the stay imposed by the Court Orders or otherwise in the CCAA Proceedings;
 - (ii) issuing a bankruptcy order against the Borrower;
 - (iii) granting an appeal of the Initial Order or the Amended and Restated Initial Order;
 - (iv) granting or declaring that any other claim or Encumbrance ranks equal or in priority status to the DIP Charge, except as permitted hereunder; or
 - (v) staying, reversing, vacating or otherwise modifying this Agreement, the DIP Charge or materially prejudicially affecting the DIP Lender or the Collateral;
- (e) The appointment of a receiver and manager, receiver, interim receiver or similar official or any process of any court becomes enforceable against the Borrower or any of its property, any of its property or seized or levied upon, or a creditor takes possession of any property of the Borrower, other than if consented to by the DIP Lender in advance in writing;
- (f) Any violation or breach of any Court Order by the Borrower;
- (g) Subject to the Amended and Restated Initial Order and any other Court Order, or the prior written consent of the DIP Lender, the Borrower ceases to carry on or maintain its Business or its assets in the ordinary course of the Business;
- (h) Any representation, warranty, certification or other statement of fact made or deemed made by or on behalf of the Borrower herein or any amendment or modification hereof or thereof proves to be incorrect or misleading in any material respect on or as of the date made or deemed made;
- (i) Any proceeding, motion or application is commenced or filed by the Borrower, or if commenced by another Person, supported or otherwise consented to by the Borrower, seeking the invalidation, subordination or other challenge of the terms of the DIP Facility, the DIP Charge or this Agreement;
- (j) The Borrower ceases (or threatens in writing to cease) to carry on business in the ordinary course;
- (k) If any Court Order contravenes or is inconsistent with this Agreement which materially and adversely affects the interests of the DIP Lender, or which is not in form and substance acceptable to the DIP Lender, as determined by the DIP Lender, acting reasonably;

- (l) Except as stayed by the Initial Order, a default under, termination, or revocation or cancellation of, any Material Contract or permit that, in the opinion of the DIP Lender, acting reasonably, is material to the Business.
- (m) If a proceeding is commenced or consented to by the Borrower challenging the validity, priority, perfection or enforceability of this Agreement;
- (n) Any Encumbrance, lien or security interest created under the Initial Order, the Amended and Restated Initial Order shall cease to be, or shall be asserted by the Borrower not to be, a valid and perfected encumbrance, lien or security interest with the priority required hereunder;
- (o) An order of the Court shall be entered granting any person an Encumbrance which is *pari passu* with or senior to the DIP Charge, or the Borrower takes any action seeking or supporting the grant of any such Encumbrance, in each case except as expressly granted or permitted under the Initial Order, the Amended and Restated Initial Order or with the consent of the DIP Lender;
- (p) Payment by the Borrower of Pre-Existing Debt other than (i) as permitted by the Initial Order, the Amended and Restated Initial Order or any other Court Order, (ii) as otherwise permitted by this Agreement, or (iii) as otherwise ordered by the Court and agreed in writing by the DIP Lender in its sole discretion;
- (q) The filing by Borrower of any plan of compromise or arrangement or liquidation that is not an Acceptable Plan of Arrangement or the failure to oppose the confirmation of any plan of compromise or arrangement or liquidation other than an Acceptable Plan of Arrangement, in each case without the prior written consent of the DIP Lender;
- (r) If the Borrower, without the consent of the DIP Lender, seeks to obtain a “critical supplier charge” or similar protection pursuant to the CCAA in favour of any party, seeks to continue the CCAA Proceedings under the jurisdiction of a court other than the Court, or seeks to initiate any restructuring proceedings other than the CCAA Proceedings in any court or jurisdiction;
- (s) If any encumbrancer takes possession of any portion of the Business or Collateral;
- (t) The occurrence of a Material Adverse Effect;
- (u) Any Change of Control occurs, where “Change of Control” means an event whereby any Person or group of persons acting jointly or in concert acquires ownership, directly or indirectly, beneficially or of record, of equity interests in the capital of the Borrower which have or represent more than 50% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower, or succeeds in having a sufficient number of nominees elected to the board of directors of the Borrower that such nominees will constitute a majority of the board of directors of the Borrower, in each case unless such change of control occurs in connection with a Court-approved sale or other transaction involving all or substantially all of the Collateral, business or all or substantially all of the shares of the Borrower which provides for the payment in full in cash of the DIP Obligations;

- (v) The Borrower or any of its directors, officers, employees or agents is in breach of or non-compliant with any applicable anti-money laundering, anti-terrorist financing or anti-corruption laws, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Corruption of Foreign Public Officials Act* (Canada) and the *Criminal Code* (Canada), or any applicable sanctions laws or regulations administered by any Sanctions authority; or
 - (w) The Cash Flow Variance Report discloses that the Borrower is not within the Permitted Variance in respect of any two consecutive one week reporting periods.
28. **Remedies:** Upon the occurrence of an Event of Default which is continuing, the DIP Lender may, in its sole discretion, upon prior written notice to the Borrower and the Monitor, elect to terminate the DIP Lender's commitment to make further Advances to the Borrower and set-off, consolidate or accelerate all amounts outstanding under the DIP Facility and declare such amounts to be immediately due and payable without any applicable periods of grace. Upon the occurrence of an Event of Default, the DIP Lender may, subject to the Initial Order or, once issued, the Amended and Restated Initial Order, upon five (5) days' prior written notice to the Borrower and the Monitor:
- (a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Collateral;
 - (b) apply for a Court Order, on terms satisfactory to the Monitor and the DIP Lender, providing the Monitor with the power, in the name of and on behalf of the Borrower, to take all necessary steps in the CCAA Proceedings to realize on the Collateral;
 - (c) apply to the Court to exercise any other powers and rights of a secured creditor;
 - (d) exercise all such other rights and remedies available to the DIP Lender under this Agreement, the Court Orders and applicable Law; and/or
 - (e) apply to the Court for an order for the appointment of a trustee in bankruptcy of the Borrower.
29. **Saving:** The DIP Lender shall have no obligation to the Borrower to pursue any specific remedy, to realize on any Collateral securing the DIP Obligations, or to allow any of its Collateral to be sold, dealt with or otherwise disposed of.
30. **Participating in Sale or Restructuring Process:** Notwithstanding any other term of this Agreement (but subject to provisions in this Agreement requiring notice to be provided by the Borrower to the DIP Lender of the occurrence of any Default or Event of Default), the Borrower and the Monitor shall not be required to disclose any information to the DIP Lender that the Borrower or the Monitor believes, acting reasonably, could impact the Borrower's sale or restructuring efforts, unless and until such time as the DIP Lender confirms in writing to the Borrower and the Monitor that it will not bid in excess of the aggregate amount of the debt owing by the Borrower under this Agreement and is not and will not and will not be providing financing to any potential buyer of the business or assets of the Borrower.
31. **Further Assurances:** The Borrower shall, at its own expense, from time to time do, execute and deliver, or cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits and reports) as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement.

32. Withholdings and Tax Indemnity:

- (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction or withholding for any Taxes, except where required by applicable Law. If the Borrower is required by applicable Law to deduct or withhold any Taxes from such payments, then:
 - (i) if such tax is an Indemnified Tax, the amount payable by the Borrower shall be increased so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional amounts payable under this Section 32), the DIP Lender receives an amount equal to the amount it would have received had no such deductions or withholdings been made; and
 - (ii) the Borrower shall make such deductions and timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Law.
- (b) In addition, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Law.
- (c) Promptly after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority (but in any event within thirty (30) days after the date of such payment), the Borrower shall deliver to the DIP Lender the original or certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the relevant return reporting such payment or other evidence of such payment reasonably satisfactory to the DIP Lender.
- (d) The Borrower shall indemnify the DIP Lender and reimburse, within ten days after demand therefor, the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed on or attributable to amounts payable hereunder) levied, imposed or assessed (and whether or not paid directly by) against the DIP Lender together with any penalties, interest and expenses arising in connection therewith and with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate from the DIP Lender as to the amount of such payment or liability delivered to the Borrower shall be conclusive absent manifest error.
- (e) If the Borrower fails to pay to the relevant Governmental Authority when due any Taxes that it was required to deduct, withhold or pay under Section 32 in respect of any payment to or for the benefit of the DIP Lender under this Agreement, or fails to promptly furnish the DIP Lender with the documentation referred to in Section 32(c), the Borrower shall forthwith on demand indemnify the DIP Lender on a full indemnity after-Taxes basis from and against the full amount of any Taxes, losses and expenses which the DIP Lender may suffer or incur as a result of such failure.
- (f) If the DIP Lender determines, in its absolute discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 32, it shall, following repayment in full of the DIP Obligations, pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 32 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the DIP Lender, and without interest (other

than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the DIP Lender, agrees to repay the amount paid over to the Borrower (plus any interest, penalties or other charges imposed by the relevant Governmental Authority) to the DIP Lender in the event the DIP Lender is required to repay such refund to such Governmental Authority. Notwithstanding the foregoing, the DIP Lender shall not be under any obligation to arrange its tax affairs in any particular manner or be required to make available its tax returns or any other information relating to its taxes that it deems confidential to the Borrower or any other Person.

- (g) The Borrower's obligations under this Section 32 shall survive, without limitation, the termination of this Agreement and the permanent repayment of the outstanding credit and all other amounts payable hereunder.
33. **Indemnity:** The Borrower agrees to indemnify and hold harmless the DIP Lender and each of its Affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors and representatives of it and its Affiliates (each, an "**Indemnified Party**") from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities (including the fees, disbursements and other charges of counsel of any Indemnified Party), incurred in connection with the financing contemplated hereby or the use of proceeds of the DIP Facility and, upon demand, to pay and reimburse for any legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim, except to the extent they result from an Indemnified Party's bad faith, gross negligence or willful misconduct as determined by a court of competent jurisdiction. The indemnities granted under this Agreement shall survive any termination of the DIP Facility.
34. **Illegality:** If, after the date of this Agreement, the DIP Lender determines that the adoption of, or change to, any applicable Law, regulation, treaty or official directive (whether or not having the force of law) or any change therein or in the interpretation or application thereof by any court or by any Governmental Authority or any other entity charged with the interpretation or administration thereof, now or hereafter makes it unlawful for the DIP Lender to make, fund or maintain an Advance under the DIP Facility or to give effect to its obligations in respect of the DIP Facility or any Advance thereunder, the DIP Lender may, by written notice to the Borrower, declare its obligations under this Agreement with respect to the DIP Facility to be terminated, whereupon the same shall forthwith terminate, and the Borrower shall, within the time required by such law (or at the end of such longer period as the DIP Lender at its discretion has agreed) repay all Advances outstanding under the DIP Facility together with accrued interest, all Permitted Fees and Expenses and all other amounts owing hereunder.
35. **Entire Agreement:** This Agreement constitute the entire agreement between the parties related to the subject matter hereof and, as the definitive documents, supersede all prior correspondence, agreements, negotiations, discussions and understandings with respect to the subject matter hereof.
36. **Amendments and Waivers:** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder shall operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this Agreement. A waiver, amendment, release or modification of this Agreement shall not be established by conduct, custom or course of dealing and shall occur, if applicable, solely by an instrument in writing duly executed by the DIP Lender, in the case of a waiver or release, and the parties hereto, in the case of an amendment or other modification.

37. **Severability:** Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.
38. **No Third-Party Beneficiary:** No Person, other than the Borrower and the DIP Lender, is entitled to rely upon this Agreement, and the parties expressly agree that this Agreement does not confer any rights upon any Person not a signatory hereto.
39. **Press Releases:** The Borrower shall not issue any press release naming the DIP Lender without its prior approval, unless the Borrower is required to do so by applicable Law, in which case the Borrower shall consult with the DIP Lender prior to making such disclosure; provided, however, that the consent of the DIP Lender will not be required prior to making such disclosure. If such advance consultation is not reasonably practicable or legally permitted, to the extent permitted by applicable Law, the Borrower shall provide the DIP Lender with a copy of any written disclosure made by the Borrower as soon as practicable thereafter.
40. **Counterparts:** This Agreement may be executed in any number of counterparts and delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.
41. **Notices:** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the Person set forth below:

**In the case of the DIP Lender:
Garrington Financial Services Inc.**

Attention: Rick Coles
E-mail: rcoles@garringtonfs.com

With a copy to:

DLA PIPER (CANADA) LLP

Attention: James Padwick and Edmond Lamek
Email: james.padwick@ca.dlapiper.com; edmond.lamek@ca.dlapiper.com

In the case of the Borrower:

Freshstone Brands Inc.

Attention: Frank Burdzy and Leigh Wilson
Email: fburdzy@homestyleselectionslp.com;
lnewton@homestyleselectionslp.com

With a copy to:

Stikeman Elliott LLP

Attention: Serge Levy/Guy Martel/Danny Vu

Email: sergelevy@stikeman.com /gmartel@stikeman.com/ddvu@stikeman.com

In either case, with a copy to the Monitor:

Deloitte Restructuring Inc.

Attention: Nigel Meakin/Shane Connolly
 Email: nmeakin@deloitte.ca/sconnolly@deloitte.ca

With a copy to:

Osler, Hoskin & Harcourt LLP

Attention: Marc Wasserman/Tiffany Sun
 Email: mwasserman@osler.com/tsun@osler.com

Any such notice shall be deemed to be given and received, when received, unless received after 5:00 pm local time or on a day other than a Banking Day, in which case the notice shall be deemed to be received the next Banking Day.

42. **English Language:** The parties hereto confirm that this Agreement and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*
43. **Assignments:** The Borrower shall not be permitted to assign any rights or obligations hereunder or without the prior written consent of the DIP Lender. Following the issuance of the Initial Order and the funding of the initial Advance to the Borrower, the DIP Lender may, subject to approval by the Court, assign or otherwise grant participations in the DIP Facility and its rights and obligations under this Agreement, in whole or in part, provided that (i) so long as no Event of Default is continuing, the Borrower has consented thereto, and (ii) any assignment without recourse to the DIP Lender shall be subject to the DIP Lender providing the Monitor with reasonable evidence in form and substance satisfactory to the Monitor, acting reasonably, that the assignee has the financial capacity to fulfil its obligations hereunder. Upon the issuance of the SISP Order (and provided that no Event of Default is continuing), the DIP Lender may only assign its rights and obligations under this Agreement, in whole or in part, or otherwise grant participation rights in this Agreement to a party or parties approved by the Monitor in writing, acting reasonably, or otherwise approved by the Court.
44. **Interpretation:** In this Agreement, words signifying the singular include the plural and vice versa, and words signifying gender include all genders. Every use of the word “including” in this Agreement is to be construed as meaning “including, without limitation”. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. References in this Agreement to a Section or Schedule are to be construed as references to a Section or Schedule of or to this Agreement unless the context requires otherwise. Subject to any limitations set forth herein, references to contracts, agreements or instruments are deemed to include all amendments, supplements, restatements or replacements to or of such contracts, agreements or instruments. References to a Person includes that Person’s successors and permitted assigns.

45. **Rule of Construction:** This Agreement has been negotiated by each party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement.
46. **Time of Essence:** Time is of the essence in all respects of this Agreement.
47. **Governing Law and Jurisdiction:** This Agreement shall be governed by, and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. The parties hereby attorn and submit to the non-exclusive jurisdiction of the Court.

[remainder of page left intentionally blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

GARRINGTON FINANCIAL SERVICES INC.

Signed by:
Per: Tammy Kemp
344D98CD75544B6...
Name: Tammy Kemp
Title: President

FRESHSTONE BRANDS INC.

Per: Frank Burdzy
Name: Frank Burdzy
Title: CEO

SCHEDULE A
DEFINITIONS

“**Acceptable Plan of Arrangement**” means a Plan of Arrangement that provides for the payment in full in cash of the DIP Obligations upon the effective date of such Acceptable Plan of Arrangement;

“**Administration Charge**” means the super-priority charge to be granted by the Court in an amount not exceeding \$650,000 securing the fees and expenses of: (i) the Borrower’s counsel in respect of the CCAA Proceedings, (ii) the Monitor, (iii) the Monitor’s counsel, and (iv) the sale advisor to the Company, if appointed;

“**Advance**” means the principal amount of any advance made in accordance with the terms and conditions of this Agreement;

“**Affiliate**” of any Person means, at the time such determination is made, any other Person controlling, controlled by or under common control with such first Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of such Person, whether through the ownership of voting securities or otherwise;

“**Agreement**” means this DIP Facility Loan Agreement, including all Schedules, as it may be modified, amended, revised, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter;

“**Amended and Restated Initial Order**” means an order of the Court to be issued in the CCAA Proceedings substantially in the form attached hereto as Schedule F or otherwise in form and substance acceptable to the DIP Lender, acting reasonably;

“**Authorization**” means, with respect to any Person, any order, permit, approval, consent, waiver, licence (including, without limitation, any of the foregoing relating to the Business) or similar authorization of any Governmental Authority related to the Borrower, the Collateral or the Business;

“**Banking Day**” means any day, other than Saturday and Sunday, on which banks generally are open for business in Toronto, Ontario;

“**Borrower**” has the meaning given to that term in Section 3;

“**Borrowing Base**” means the sum of:

- (a) 75% of the amount of Eligible Accounts Receivable, less the amount, if any, of the Dilution Reserve, plus
- (b) The lesser of (A) \$1,000,000, and (B) twenty-five percent (25%) of the book value of Eligible Inventory (as recorded in accordance with Accounting Standards for Private Enterprises),
minus
- (c) a reserve for Permitted Priority Liens, (provided that only an amount of \$250,000 attributable to the Administration Charge shall form part thereof).

For greater certainty, the Borrowing Base shall be determined by Lender (including the eligibility of accounts and inventory) based on the most recent Borrowing Base Certificate delivered to the DIP Lender in accordance with Section 14;

“**Borrowing Base Certificate**” has the meaning given to that term in Section 14;

“**Business**” means the business, operations, properties, assets, prospects or condition (financial or otherwise) of the Borrower, taken as a whole;

“**Cash Flow Variance Report**” has the meaning given to that term in Section 13;

“**CCAA**” has the meaning given to that term in the recitals;

“**CCAA Proceedings**” has the meaning given to that term in the recitals;

“**Collateral**” means all present and after-acquired assets, property and undertakings of the Borrower;

“**Copyrights**” means all copyrights in any original work of authorship fixed in any tangible medium of expression, all registrations and applications for registration of any such copyrights in Canada, the United States or any other country, and all proceeds of the foregoing, including license royalties and proceeds of infringement suits, the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all renewals and extensions thereof;

“**Court**” has the meaning given to that term in the recitals;

“**Court Order**” means an order of the Court granted in the context of the CCAA Proceedings, including the Initial Order as amended and restated by the Amended and Restated Initial Order;

“**Default**” shall mean the occurrence of any Event of Default or event which, with the passage of time or notice or both, would, unless cured or waived, become an Event of Default;

“**Dilution Factors**” means, without duplication, with respect to any period, the aggregate amount of all deductions, credit memos, returns, adjustments, allowances, bad debt write-offs, charge-offs and other non-cash credits and account adjustments which are recorded to reduce Eligible Accounts Receivable in a manner consistent with current and historical accounting practices of the Borrower;

“**Dilution Ratio**” means, for any relevant period of determination selected by the DIP Lender and the Borrower, the amount (expressed as a percentage) equal to (a) the aggregate amount of the applicable Dilution Factors for such period with respect to the Eligible Accounts Receivable of the Borrower divided by (b) the aggregate amount of sales comprising such relevant Eligible Accounts Receivable for such period of the Borrower;

“**Dilution Reserve**” means, at any time of determination, an amount sufficient to reduce the advance rate against Eligible Accounts Receivable, as applicable, by one (1) percentage point for each percentage point by which the applicable Dilution Ratio exceeds seven and one-half percent (7.5%); provided, that, no reserves shall be imposed on the first two and one-half percent (2.5%) of dilution of Eligible Accounts Receivable;

“**DIP Budget**” has the meaning given to that term in Section 13;

“**DIP Charge**” has the meaning given to that term in Section 17;

“**DIP Facility**” has the meaning given to that term in Section 5;

“**DIP Lender**” has the meaning given to that term in Section 4;

“**DIP Obligations**” has the meaning given to that term in Section 17;

“**Directors’ Charge**” means a Court-ordered priority charge securing an indemnity in favour of the directors and officers of the Borrower, which (i) shall be in an amount not to exceed \$1,725,000 following the issuance of the Initial Order, increased to an amount not to exceed \$2,000,000 following the issuance of the Amended and Restated Initial Order and (ii) shall rank behind the Administration Charge and the DIP Charge;

“Eligible Accounts Receivable” means any and all accounts, claims and receivables owing to or created by the Borrower in the ordinary course of business, which arise out of the Borrower’s sale of goods or rendition of services or which are otherwise owing to the Borrower, in each case which are not excluded as ineligible by virtue of one or more of the following excluding criteria: (i) any account receivable which is outstanding more than sixty (60) days after the invoice date; (ii) accounts owing by an account debtor to the extent that twenty-five percent (25%) of the total outstanding accounts owing from such account debtor are aged more than sixty (60) days from invoice date; (iii) the amount of all holdbacks, contra accounts, rights of set-off, or other amounts for which the account debtor is entitled to offset, deduct, or reduce payment by reason of any claim, liability or obligation owed by the Borrower to such account debtor; (iv) any account receivable that arises with respect to goods that are delivered on a bill-and-hold, pre-paid, progress bill or cash on delivery bases; (v) any intercompany accounts receivable; (vi) any account receivable due from an account debtor that is not organized under the laws of Canada or any province or territory thereof or the United States or any state thereof or the District of Columbia, in each case, unless covered by credit insurance satisfactory to the DIP Lender and preapproved in writing by the DIP Lender; (vii) accounts with respect to an account debtor whose Eligible Accounts Receivable owing to the Borrower exceeds 20% of all Eligible Accounts Receivable (unless otherwise agreed to by the DIP Lender in writing), to the extent of the obligations owing by such account debtor in excess of such percentage; (viii) any account receivable upon which the Borrower’s right to receive payment is not absolute or is contingent upon the fulfillment of any condition whatsoever, or as to which the Borrower is not able to bring suit or otherwise enforce its remedies against the account debtor through judicial process; (ix) any account receivable with respect to which an invoice has not been sent to the account debtor; (x) any account receivable that is the obligation of an account debtor that is a federal, provincial or state government or a political subdivision thereof or any department, agency or instrumentality thereof, unless such account receivable is subject to the Federal Assignment of Claims Act or similar provincial or state legislation, if applicable, and the DIP Lender has agreed to the inclusion of such account receivable in writing; (xi) any account receivable that is the obligation of an account debtor that has suspended business, made a general assignment for the benefit of creditors, is unable to pay its debts as they become due, or as to which a petition has been filed (voluntary or involuntary) under any law relating to bankruptcy, insolvency, reorganization or relief of debtors; (xii) any account receivable as to which the DIP Lender’s interest therein is not secured by the DIP Charge (in priority to all others, other than in respect of amounts secured by the Administration Charge and Priority Payables); (xiii) any account receivable as to which any of the Borrower’s representations or warranties pertaining to accounts receivable are untrue; and (xiv) any account receivable that represents interest payments, late or finance charges, or service charges owing to the Borrower;

“Eligible Inventory” means as at the date of determination, all Inventory (as such term is defined in the PPSA) of the Borrower that: (a) is not subject to any Encumbrance other than Permitted Encumbrances or Encumbrances in favour of the DIP Lender; (b) is located on premises owned, operated or leased by the Borrower, or in a contract warehouse or with a bailee, and referenced in Schedule H (unless inventory at such location has an aggregate book value of the less than \$200,000) (c) is not in transit (d) is of good and merchantable quality, free from any defects and is not obsolete, unsalable, perished, expired, designated by any food inspection agency or other regulator as being unfit for sale or otherwise not in legal compliance, unfit for further processing or of substandard quality, in the DIP Lender’s good faith credit judgment; (e) does not consist of: (i) discontinued items, (ii) slow-moving or excess items, or (iii) used items held for resale; (f) consists of raw materials or finished goods; (g) meets all standards imposed by any Governmental Authority, including with respect to its production, acquisition or importation; (h) is not placed by the Borrower on consignment or held by the Borrower on consignment from another Person; and (i) is not subject to any licensing, patent, royalty, trademark, trade name or copyright agreement with any third parties that would restrict the DIP Lender’s ability to dispose of such inventory;

“Encumbrance” means any encumbrance, lien, trust (including any deemed, statutory or constructive trust), charge, hypothec, pledge, mortgage, title retention agreement, or security interest of any nature, adverse claim, exception, reservation, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege, statutory preference of every kind and nature whatsoever (including any construction trust or lien arising pursuant to the *Construction Act*, R.S.O

1990 c. C. 30 or similar legislation of any provision or territory) or otherwise, in each case whether contractual, statutory or otherwise, and including any contract to create any of the foregoing;

“**Event of Default**” has the meaning given to that term in Section 27;

“**Excepted Funds**” means (i) the cash on hand on the Filing Date (provided that such amounts are transferred to the Disbursement Account on the Filing Date or as soon as possible thereafter when such Disbursement Account is fully operational), (ii) amounts collected in respect of HST and other tax refunds, government receivables, and other non-ordinary course receipts that do not require a mandatory prepayment pursuant to the terms of this Agreement, and (iii) all amounts remaining in the Collection Account on Friday of each week, commencing with Friday June 12, 2026, following the Borrower’s compliance with its obligations under Section 23(d) such that then existing DIP Obligations have been reduced to \$0;

“**Excluded Taxes**” means with respect to the DIP Lender or any other recipient of any payment to be made by or on account of any DIP Obligations, (a) Taxes imposed on income, net profits, and franchise taxes imposed (i) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or conducts business, in which its principal office is located or in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) any branch profits taxes or any similar tax imposed by a jurisdiction described in (a), (c) Taxes imposed on amounts paid or credited to the DIP Lender as a result of the DIP Lender (i) not dealing at arm’s length (within the meaning of the Income Tax Act (Canada)) with the Borrower, or (ii) being a “specified shareholder” (as defined in subsection 18(5) of the Income Tax Act (Canada)) of the Borrower or not dealing at arm’s length with such a specified shareholder for purposes of the Income Tax Act (Canada), except, in the case of clause (i) or (ii) above, where the non-arm’s length relationship arose, or the DIP Lender was a specified shareholder or was not dealing at arm’s length with a specified shareholder, solely as a result of the DIP Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under or enforced this Agreement;

“**Filing Date**” means the date the Initial Order is issued by the Court;

“**Governmental Authority**” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, body, board, tribunal or dispute settlement panel or other law or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

“**Indebtedness**” of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money, including by way of overdraft and drafts or orders accepted as representing extensions of credit, (b) all obligations of such Person evidenced by bonds, debentures, the face amount of all bankers’ acceptances, letters of credit, letters of guarantee and similar instruments, notes, letters of credit or other similar instruments, including obligations under any arrangement providing for the leasing of any property, which property has been or is to be sold or transferred in contemplation of such leasing, (c) all obligations of such Person to pay the deferred purchase price of property or services, (d) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles (or other applicable accounting standards) consistently applied in Canada and/or the United States, (e) all indebtedness, liabilities and obligations secured by an Encumbrance on any asset of such Person, whether or not the same is otherwise indebtedness, liabilities or obligations of such Person, which, for greater certainty will not include rent paid or payable by such Person in the ordinary course, (f) all indebtedness, liabilities and obligations of others which is, directly or indirectly, guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, (g) all indebtedness, liabilities and obligations in respect of financial instruments which are classified as a liability on the balance sheet of such Person, (h) all obligations of such Person to otherwise assure a creditor against loss, (i) all hedging obligations and (j) all obligations of such Person for trade accounts and contracts;

“**Indemnified Taxes**” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under this Agreement and (b) to the extent not otherwise described in (a), Other Taxes;

“**Initial Order**” means an order of the Court to be issued in the CCAA Proceedings substantially in the form attached hereto as Schedule E, or otherwise in form and substance acceptable to the DIP Lender, acting reasonably;

“**Intellectual Property**” means any and all Licenses, Patents, Copyrights, Trademarks, trade secrets and customer lists, in each case whether now owned or hereafter acquired by the Borrower, and for greater certainty, Intellectual Property shall include all recipes used by the Borrower in the conduct of its business;

“**Interest Rate**” means, the per annum rate equal to the Prime Rate plus 10.55%;

“**KERP**” means any Key Employee Retention Plan established by the Borrower and approved by the DIP Lender and the Court in the context of the CCAA Proceedings, under which the Borrower would make payments to those key employees designated under the KERP;

“**Law**” means any federal, provincial, county, territorial, district, municipal, local, foreign, supranational or international, law, statute, ordinance, regulation, by-law, rule, code, treaty or rule of common law or otherwise of, or any order, judgment, injunction, decree or similar authority enacted, issued, promulgated, enforced or entered by, any Governmental Authority;

“**License**” means any Copyright License, Patent License, Trademark License or other license of rights or interests now held or hereafter acquired by the Borrower;

“**Material Adverse Effect**” means any new event, circumstance, development, change, occurrence or effect that, individually or in the aggregate, (a) has had or could reasonably be expected to have a material adverse effect on the business, operations, properties, assets, financial condition or prospects of the Borrower, (b) materially impairs the ability of the Borrower to perform its obligations under this Agreement, or (c) materially impairs the validity, enforceability or priority of the DIP Charge or the rights and remedies of the DIP Lender under this Agreement, as determined by the DIP Lender in its sole discretion;

“**Material Contract**” means those contracts listed on Schedule G;

“**Maturity Date**” has the meaning given to that term in Section 19;

“**Monitor**” means Deloitte Restructuring Inc., as the Court-appointed monitor of the Borrower in the CCAA Proceedings, if and when so appointed;

“**Other Connection Taxes**” means, with respect to the DIP Lender and any other recipient of any payment to be made by or on account of any DIP Obligations, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing the Tax (other than a connection arising from the execution, delivery, enforcement of, or performance under, receipt of payments under, or perfected a security interest under this Agreement);

“**Other Taxes**” means any and all present or future stamp, recording, filing, documentary or similar taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or performance under or otherwise with respect to this Agreement (other than Excluded Taxes and Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 43));

“**Patents**” means all patents and letters patent of Canada, the United States or any other country, all registrations and recordings thereof, and all applications for patents and letters patent, including all reissues, continuations, continuations-in-part or extensions thereof;

“**Permitted Encumbrance**” means (i) Permitted Priority Liens, (ii) the DIP Charge, (iii) the Directors’ Charge, (iv) validly perfected Encumbrances existing prior to the date hereof as in effect on the date hereof; and (v) inchoate statutory Encumbrances arising before or after the date of the Initial Order, subject to the obligation to pay all such amounts as and when due;

“**Permitted Fees and Expenses**” has the meaning given to that term in Section 12;

“**Permitted Priority Liens**” means (i) the Administration Charge, (ii) reserved, (iii) if applicable, Encumbrances in favour of secured parties that did not receive notice of the application for the Initial Order, provided that if, upon application by the Borrower, the Court enters a further order providing that the DIP Charge shall rank in priority to such secured parties’ Encumbrances, such Encumbrances shall no longer constitute Permitted Priority Liens, (iv) any amounts payable by the Borrower for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the Excise Tax Act (Canada) (net of input credits), income tax and workers compensation claims, in the case of this item, and (v) solely to the extent such amounts are given priority by Law and only to the extent that the priority of such amounts have not been subordinated to the DIP Charge granted by the Court;

“**Permitted Variance**” means: as it pertains to income of the Borrower, negative variance from the DIP Budget of up to fifteen percent (15%), and as it pertains to expenses of the Borrower, adverse variance from the DIP Budget of up to fifteen percent (15%), in each case in respect of subject one week period. For certainty, such variance shall be calculated as the difference, in a subject one week period, expressed as a percentage, between (A) the actual result of the Borrower for the subject period (and as it pertains to expenses, excluding the fees and expenses of the DIP Lender) and (B) the equivalent budgeted amount (excluding, as it pertains to expenses, the fees and expenses of the DIP Lender) for the subject period;

“**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

“**Pre-Existing Debt**” has the meaning given to that term in Section 26(c);

“**Prime Rate**” means, at any time of determination, the greater of (i) the annual rate of interest announced by CIBC from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian dollars in Canada and (ii) 4.45% per annum. For greater certainty the interest rate referred to in part (i), as of the Closing Date is 4.45% per annum;

“**Priority Payables**” means harmonized sales tax, sales Tax and any amount payable or accrued by the Borrower which is secured by an Encumbrance (other than the Administration Charge) which ranks or is capable of ranking prior to or *pari passu* with the DIP Charge, including amounts accrued or owing for wages, vacation pay, termination pay (only where it is a priority payable), employee deductions, Taxes, or employer pension contributions, and other statutory or other claims that, in each case, have or may have priority over, or rank *pari passu* with, the DIP Charge (other than the Administration Charge);

“**SISP Order**” means an Order of the Court approving the conduct by the Borrower of a sale and investment solicitation process within the CCAA Proceedings;

“**Tax**” and “**Taxes**” means any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind, including all interest, penalties, fines, additions to tax or other additional amounts in respect thereof, imposed, levied, collected, withheld, or assessed by any Governmental Authority, and whether disputed or not;

“**Trademarks**” means all trademarks (registered, common law or otherwise), trade names, corporate names, company names, business names, fictitious business names, trade dress, trade styles, service marks, logos, certification marks, distinguishing guises, designs, and all other names and slogans embodying business or product goodwill or indicia of origin, registrations and applications for registration in Canada, the United States or any other country, and all renewals thereof; and

“**Updated Cash Flow**” has the meaning given to that term in Section 13.

**SCHEDULE B
DIP BUDGET**

(See attached.)

Freshstone Brands Inc.
18-Week Cash-Flow Forecast
For the Period June 8, 2026 to October 16, 2026
(CAD, in \$000's, unaudited)

Cash Flow Week	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Forecast	
Week Ending	12-Jun-26	19-Jun-26	26-Jun-26	3-Jul-26	10-Jul-26	17-Jul-26	24-Jul-26	31-Jul-26	7-Aug-26	14-Aug-26	21-Aug-26	28-Aug-26	4-Sep-26	11-Sep-26	18-Sep-26	25-Sep-26	2-Oct-26	9-Oct-26	16-Oct-26	Total	
Receipts																					
Customer Receipts	3	1,458	1,203	1,256	1,371	1,343	1,471	1,517	1,507	2,484	2,356	2,269	2,372	2,353	2,347	2,222	1,962	2,084	2,167	2,103	35,845
Other Receipts		-	-	-	300	-	-	-	300	-	-	-	-	-	300	-	-	-	300	-	1,200
Total Receipts		1,458	1,203	1,256	1,671	1,343	1,471	1,517	1,507	2,784	2,356	2,269	2,372	2,353	2,647	2,222	1,962	2,084	2,167	2,403	37,045
Operating Disbursements																					
Vendor Payments	4	(2,422)	(2,078)	(1,167)	(1,267)	(1,364)	(1,268)	(1,337)	(1,425)	(1,416)	(1,395)	(1,296)	(1,223)	(1,325)	(1,349)	(1,188)	(1,189)	(1,348)	(1,213)	(1,285)	(26,555)
Payroll & Benefits	5	(1)	(909)	(1)	(957)	(1)	(722)	(1)	(927)	(7)	(892)	(1)	(875)	(7)	(870)	(1)	(861)	(7)	(843)	(1)	(7,884)
Occupancy Costs	6	(200)	-	(73)	(143)	(96)	-	-	(169)	-	-	-	(169)	-	-	-	-	(130)	-	-	(979)
Operating Expenses	7	(425)	(67)	(290)	(261)	(15)	(232)	(45)	(25)	(15)	(320)	(45)	(25)	(15)	(25)	(218)	(55)	(15)	(25)	(169)	(2,288)
Total Operating Disbursements		(3,048)	(3,054)	(1,531)	(2,628)	(1,476)	(2,233)	(1,383)	(2,547)	(1,438)	(2,607)	(1,342)	(2,123)	(1,516)	(2,244)	(1,407)	(2,106)	(1,500)	(2,080)	(1,455)	(37,706)
Operating Cash Flow		(1,590)	(1,851)	(275)	(956)	(133)	(752)	134	(1,040)	1,346	(251)	928	249	837	403	815	(144)	584	87	949	(661)
Restructuring Costs																					
DIP Lender Fees & Interest	8	(70)	(15)	(20)	(15)	-	-	-	-	(60)	-	-	(46)	-	-	-	(24)	-	-	-	(250)
Professional Fees - Restructuring	9	(660)	(125)	(100)	(75)	(75)	(50)	(50)	(50)	(50)	(75)	(25)	(25)	(25)	(25)	(25)	(100)	(100)	(75)	(75)	(1,785)
Total Restructuring Costs		(730)	(140)	(120)	(90)	(75)	(50)	(50)	(50)	(110)	(75)	(75)	(71)	(25)	(71)	(25)	(50)	(124)	(100)	(75)	(2,035)
Total Net Cash Flow		(2,320)	(1,991)	(395)	(1,047)	(208)	(802)	84	(1,090)	1,236	(301)	853	224	766	378	790	(194)	460	(13)	874	(2,696)
Opening Cash Balance																					
Net Cash Flow		2,950	630	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	2,950
DIP Drawdown / (Repayment)	10	(2,320)	(1,991)	(395)	(1,047)	(208)	(802)	84	(1,090)	1,236	(301)	853	224	766	378	790	(194)	460	(13)	874	(2,696)
Closing Cash Balance / (Deficit)		630	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	254	254
Borrowing Base Calculation																					
Opening DIP Facility Balance		-	-	1,561	1,956	3,003	3,211	4,013	3,928	5,018	3,782	4,083	3,230	3,006	2,240	1,862	1,072	1,266	806	819	
DIP Facility Draw / (Repayment)		-	1,561	395	1,047	208	802	(84)	1,090	(1,236)	301	(853)	(224)	(766)	(378)	(790)	194	(460)	13	(819)	
Ending DIP Facility Balance		-	1,561	1,956	3,003	3,211	4,013	3,928	5,018	3,782	4,083	3,230	3,006	2,240	1,862	1,072	1,266	806	819	-	-
Borrowing Base Availability		2,717	3,694	2,948	3,988	3,336	4,149	3,930	5,376	4,432	5,259	4,421	5,138	4,165	4,840	4,076	4,913	4,096	4,871	4,045	
Excess Availability / (Shortfall)		2,717	2,133	991	985	126	136	2	358	650	1,177	1,191	2,132	1,925	2,978	3,004	3,646	3,290	4,051	4,045	

Notes

- (1) The cash flow forecast (the "Forecast") has been prepared by management for the purpose of estimating Freshstone Brands Inc.'s (the "Company") projected liquidity requirements for the period from June 8, 2026 to October 16, 2026 (the "Forecast Period"). The Forecast is presented in Canadian dollars.
- (2) Any amounts denominated in US dollars have been translated into Canadian dollars using a foreign exchange rate of 1.375.
- (3) Customer Receipts are based on past performance and anticipated customer orders. Customer receipts are expected to increase between in Week 9 due to an increase in receipts pertaining to contracts with certain key customers.
- (4) Vendor Payments reflects estimated cash outflows related to the purchase and transportation of inventory necessary to support ongoing operations.
- (5) Payroll & Benefits includes salaries, wages, remittances, employee benefits and taxes for salaried and hourly employees across the Company's facilities.
- (6) Occupancy Costs reflects post-filing rent for the expected period of occupation of leased premises.
- (7) Operating Expenses includes other general operational expenses.
- (8) DIP Lender Fees & Interest encompasses interest, fees, and other financing charges under the DIP facility.
- (9) Professional Fees - Restructuring includes legal and financial advisors associated with the CCAA proceedings and are based on estimates provided by the advisors.
- (10) DIP Advances / Repayments reflect the Company's expected funding needs and capacity to repay amounts drawn under the DIP Facility, while maintaining a minimum cash balance of \$200,000 throughout the Forecast Period.
- (11) The forecast Borrowing Base Availability is pursuant to the terms of the DIP Agreement.

SCHEDULE C
BORROWING BASE CERTIFICATE

(See attached.)

Freshstone Brands Inc.

Borrowing Base Certificate (CAD '000) #

xx

2026-05-26

A) Collateral Type	Accounts Receivable (AR)	Inventory
Beginning Balance		Beginning Balance
Plus Sales		Plus Purchases
Less Credit		Less COGS
+/- Adjustments		+/- Adjustments
Less Collections		
Less Discounts		
Total Accounts Receivable & Inventory	2026-05-26	
B) AR INELIGIBLES		
Past Due accounts (> 60 days)		
Credit Balances (>60 days)		
Cross-aging (>20% past due)		
Prebilled Invoices		
Contra		
Foreign		
Concentration (25% limit)		
Other		
C) INVENTORY INELIGIBLES		
Dead Stock		0
Packaging		0
WIP		
Other		
Total Ineligibles	<u>0</u>	<u>0</u>
Eligible Collateral	<u>0</u>	<u>0</u>
Net Account Receivable at 75%	75%	0
Net Inventory advance at 25%	25%	0
D) ABL Revolver - Credit Limit Availability + Draw Calculation		
Maximum Credit Limit Attributed to Eligible AR	Lesser of: 7,000,000	0
Maximum Credit Limit Attributed to Eligible Inventory	Lesser of: 1,000,000	0
Total Borrowing Base		<u>0</u>

E) RESERVES		
Less Dilution Reserve (xxx.x%) (to be adjusted periodically)		
Closing Costs		
Admin Charge		
Other		
Total Reserves		<u>0</u>
Maximum Available	Limit	7,000,000
Current Loan Outstanding		
Beginning Balance		0
Add: Advances		0
Add: Interest & Fees		0
Less: Collections Received - Draw Down against DACA Account		0
In-transit cash previous BBC		
Collections in DACA Account/Cash In-Transit +/-		
Unapplied AR Collections		
Adjustments +/-		
Fees / Expenses		
Ending Balance		<u>0</u>

Borrowing Base Excess (Shortfall):	0
Excess available for borrowing:	0
Requested Advance: (please input as a negative figure)	0
Less Wire fee	-25
Surplus after today's advance:	-25

The above noted accounts ("RECEIVABLES") and inventory or any other named collateral are subject to all the terms and conditions set forth in that [certain Loan and Security Agreement](#), as amended from time to time, between [Garrington Financial Services Inc.](#) ("Garrington") and Borrower, dated as of [xxxx, 2026](#) (the "Loan Agreement," and all other security or other agreements and documents executed in connection therewith, the "Facility Agreements"). Each of the undersigned and the Borrower hereby certify to NELI that each RECEIVABLE represents a valid and bona fide sale, that the goods, merchandise and/or services represented by the RECEIVABLE have been validly delivered and/or completely rendered and that as at the date hereof, we have no notice or knowledge written or otherwise, of any dispute relating to each RECEIVABLE or a previous or subsequent RECEIVABLE with respect to any customer, which would give rise to refusal by such customer to pay the RECEIVABLE on its due date as indicated herein, and the RECEIVABLE, inventory or any other named collateral identified herein complies with all other lending eligibility requirements contained in the Loan Agreement and the other Facility Agreements.

We acknowledge and confirm that no oral agreement has been reached between us, which would vary or modify in any way, in respect of each such RECEIVABLE, or inventory or any other collateral or any of the terms or conditions of our Loan Agreement or any other Facility Agreement.

We represent and warrant to Garrington that the information set out and certified in this Statement and on any accompanying reports is true, correct and complete in all respects and acknowledge that Garrington is relying upon these representations and warranties to fund and continue funding. By executing this Statement, the undersigned and Borrower hereby ratify, confirm, and affirm all terms, conditions and provisions of the Loan Agreement and each other Facility Agreement, and further certify that on this day no default or "Event of Default" (as defined in the Loan Agreement) has occurred and is continuing and Borrower is in full compliance with the terms of the Loan Agreement.

SIGNATURE OF:

2026-05-26

xxxxx
update address

**SCHEDULE D
FORM OF ADVANCE NOTICE**

TO: GARRINGTON FINANCIAL SERVICES INC. (the “DIP Lender”)

AND TO: DELOITTE RESTRUCTURING INC. (the “Monitor”)

FROM: FRESHSTONE BRANDS INC. (the “Borrower”)

This Advance Notice is delivered to you in accordance with the DIP Facility Loan Agreement made as of June 8, 2026 (the “**DIP Loan Agreement**”) between the DIP Lender and Borrower. Capitalized terms that are not defined herein shall have the meanings ascribed to them in the DIP Loan Agreement.

The Borrower hereby requests the Advance as follows:

- a) date of Advance _____
- b) amount of Advance _____

The Borrower hereby certifies that as of the date of this Advance Notice:

- 1) the representations and warranties contained in the DIP Loan Agreement are true and correct and that all covenants have been fully complied with in all respects;
- 2) no Event of Default that has not been waived or cured has occurred or is expected to occur after giving effect to the Advance.

The Borrower hereby certifies that the Advance shall be used in accordance with terms of the DIP Loan Agreement, the DIP Budget and the Court Orders.

DATED the _____ day of _____, 2026.

FRESHSTONE BRANDS INC.

Per: _____
Name:
Title:

**SCHEDULE E
INITIAL ORDER**

**SCHEDULE F
AMENDED AND RESTATED INITIAL ORDER**

**SCHEDULE G
MATERIAL CONTRACTS**

Tiffany Gate leased plant:
195 Steinway Blvd, Etobicoke, ON M9W 6H6

Mississauga leased plant:
1335 Fewster Dr, Mississauga, ON L4W 1A2

Property and General Liability, AVIVA Insurance Company of Canada, Policy No. 81787238
Effective: May 1, 2026 to May 1, 2027

Equipment Breakdown, The Sovereign General Insurance Company, Policy No. S4001950813
Effective: May 1, 2026 to May 1, 2027

Cyber Liability, Travelers Insurance Company of Canada, Policy No. 1000008791
Effective: May 1, 2026 to May 1, 2027

Product Recall, certain Lloyd's Underwriters at Lloyd's, Policy No. CMO0340803052
Effective: May 1, 2026 to May 1, 2027

Crime Coverage - 3 Year Term Billed Annually expires 2027, Liberty Mutual Canada, Policy No.
CMCGABJ1FG006
Effective: May 1, 2026 to May 1, 2027

**SCHEDULE H
LOCATIONS**

Tiffany Gate leased plant:
195 Steinway Blvd, Etobicoke, ON M9W 6H6

Mississauga leased plant:
1335 Fewster Dr, Mississauga, ON L4W 1A2

Kitchener leased DC:
1604 Victoria St N, Kitchener, ON N2B 3E2

Albion leased Warehouse:
1801 Albion Rd, Etobicoke, ON M9W 5S7

Charlottetown leased plant:
23 4 St, Charlottetown, PE C1E 2B4

Delisle leased plant
500 Valleyview Dr, Delisle, SK S0L 0P0

Kitchener leased plant:
1326 Victoria St N, Kitchener, ON N2B 3E2

Trenton Cold Storage (third party):
178 Stockdale Road, Trenton, ON, K8V 5P6

Approved Cold Storage (third party)
5100 Harvester Rd, Burlington, ON, L7L 4X4

Shaan Warehouse (third party)
60 Armstrong AVE, Georgetown, ON, L7G 4R9

**SCHEDULE I
LICENSES TO USE INTELLECTUAL PROPERTY**

None.

EXHIBIT "T"

referred to in the Affidavit of

FRANK BURDZY

Sworn June 8, 2026

Signed by:

Chloe Duggal

B773A6D4FF3744B...

Commissioner for Taking Affidavits



150 York Street, Suite 1600
Toronto, ON, Canada, M5H 3S5
T: 1.855.775.8777
F: 416.496.3839

PRIVATE & CONFIDENTIAL

June 5, 2026

Ms. Leigh Wilson
Freshstone Brands Inc.
195 Steinway Blvd
Etobicoke, ON
M9W 6H6

Dear Ms. Wilson,

Re: Financial Advisory Services

This letter agreement ("**Agreement**") will serve to confirm our mutual understanding of the terms under which **Freshstone Brands Inc.** (collectively, "**Freshstone**" or the "**Company**") shall retain the services of **GlassRatner Advisory Canada Inc.** ("**GR**") to serve as its exclusive financial advisor to act as the Court Approved Sales Agent in connection with the potential sale of the Company or its business or assets pursuant to a transaction (the "**Transaction**") resulting from a Court-approved sale and investor solicitation process ("**SISP**") in the event that Freshstone commences a filing under the *Companies' Creditor Arrangement Act* (the "**CCAA**") and the appointment of GR is approved by the Court.

Services to be Rendered by GR

In preparation for and execution of the Transaction, GR will, as appropriate, provide the following services, which will be undertaken in accordance with the SISP under the supervision of Freshstone and the Court-appointed Monitor in the CCAA proceedings:

Sales Process:

- i. Review, evaluate and advise on the Transaction in general, including a review and evaluation of any stalking horse offers;
- ii. Prepare financial models and other financial analysis, as may be required;
- iii. Provide advice on structuring, pricing, terms and timing of the Transaction;

Phase 1

- iv. Prepare and compile appropriate information, establish and manage a virtual data room, prepare Confidential Information Memorandum, if needed, to be presented to potential purchasers;
- v. Source and approach potential purchasers;
- vi. Manage the due diligence process;
- vii. Evaluate proposals from potential purchasers;

Phase 2

- viii. Should there be multiple potential purchasers, GR will organize and run an auction to determine the highest and otherwise best offer;

Completion of the Sales Process

- ix. Negotiate and document terms of the Transaction;
x. Work with the Monitor to obtain Court Approval of the successful bid;
xi. Assist in the negotiation of definitive agreements;
xii. Coordinate the activities of additional professionals, including legal and accounting advisors, as may be required;
xiii. Ensure a timely closing of the Transaction; and
xiv. Perform other financial advisory and investment banking services as may be required in the context of the Transaction.

Compensation

The compensation payable to GR by the Company will be as follows:

i) **Work fee**

GR shall not charge a work fee for this Transaction;

ii) **Success fee**

A success fee ("**Success Fee**"), payable as follows:

- i. Should only Phase 1 be required, the Success Fee shall be \$175,000 payable upon successful completion of the Transaction
ii. Should Phase 2 be required, an additional \$75,000 shall be payable upon the successful completion of the Transaction.

Additionally, GR will be entitled to reimbursement for all reasonable out of pocket expenses relating to the engagement that would include, but not be limited to, all travel expenses, legal fees, research data, printing charges, computer charges, and long-distance telephone calls. All fees payable to GR are subject to Harmonized Sales Tax as applicable.

The Company acknowledges and agrees that:

(a) upon Closing of the Transaction it will pay the Success Fee directly from the proceeds of the Transaction in accordance with the terms of this Agreement;

(b) that it will direct its solicitors to add the payment to GR of the Success Fee to the closing agenda of the Transaction; and,

(c) the payment of the Success Fee to GR will be a condition of Closing.

All amounts are in Canadian dollars and will be subject to Harmonized Sales Tax, as applicable.

Additional Services

GR will render such future additional services as Freshstone may require and request. Freshstone will pay a fee that is mutually acceptable to both Freshstone and GR at GR's then hourly rates for the actual time incurred for the person(s) involved for such participation and all related meetings, conferences and preparation time for such events, plus out-of-pocket expenses including, without limitation, fees and disbursements of GR's counsel, if independent legal advice for GR is necessary in respect of such additional services. Any future additional services and fee arrangements would be subject to the execution of a new engagement letter(s) in respect of such services.

Information

The Company will furnish GR with such information as GR believes appropriate to its assignment (all such information so furnished being the "Information"). The Company recognizes and confirms that GR:

- (a) will use and rely primarily on the Information and on information available from generally recognized public sources in performing the services contemplated by this Agreement without having independently verified the same, and
- (b) does not assume responsibility for the accuracy or completeness of the Information and such other information.

GR, its employees and advisors agree to keep all Information confidential except Information that:

- (a) is or becomes generally available to the public (other than as a result of a disclosure by GR);
- (b) was available to GR on a non-confidential basis prior to its disclosure by GR from parties other than the Company;
- (c) becomes available to GR on a non-confidential basis from a person other than the Company who, to the knowledge of GR, is not bound by a confidentiality agreement or otherwise prohibited from transferring such information to GR;
- (d) the Company agrees may be disclosed; or
- (e) GR is required by law, regulation, legal process or regulatory authority to disclose. However, in the aforementioned cases GR will utilize its best efforts to keep this information confidential. GR will also make every effort to notify the Company in advance of any required disclosure.

Additionally, GR shall only disclose Information to those of its employees and advisors as GR determines to have a need to know.

Indemnification

The Company agrees to indemnify GR and certain other parties in accordance with the provisions contained in Schedule "A" hereto, which forms part of this Agreement.

Additional Services

The Company agrees that GR shall not be disqualified by reasons of this appointment from accepting any further appointment of any nature or kind by the Company.

GR shall not accept any engagement relating to Freshstone from any party other than the Company without the consent of Freshstone and the Monitor.

Best Efforts

This assignment will be completed on a best efforts basis and no warranty is given or implied with respect to the final results.

No Waiver

No waiver, amendment or other modification of this Agreement shall be effective unless in writing and signed by each party to be bound thereby.

Arbitration

All disputes arising out of or in connection with this Agreement shall be finally settled by arbitration. The arbitration shall be confidential and shall take place in Toronto, Ontario in the English language under the UNCITRAL arbitration rules. GR will be responsible for the costs of the arbitrator and the venue for the arbitration, but not for any legal fees incurred by the Company. The arbitration shall be decided by a sole arbitrator to be agreed upon by the Company and GR, failing which application may be made to the courts of the Province of Ontario for the appointment of an arbitrator. The award of the arbitrator shall be final, and the Company and GR hereby waive any right they may have to appeal from that award.

Governing Law

This Agreement shall be governed by the laws of the Province of Ontario.

Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, administrators, executors, successors, purchasers and assigns, as applicable.

Counterparts

This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement, and will become effective when one or more counterparts will have

been signed by each party and delivered to the other party. Delivery of an executed counterpart of this Agreement and any and all documents required to complete the Transaction contemplated by this Agreement by facsimile or transmitted electronically in either a tagged image format file or portable document format shall be equally effective as delivery of a manually executed counterpart of this Agreement.

Kindly indicate your agreement with the terms as set out in this Agreement by signing below. Please retain one executed copy of the Agreement and return one executed copy to GR.

Yours truly,

GlassRatner Advisory Canada Inc.



Barbara Cowper, Managing Director

Freshstone Brands Inc.



Per: Leigh Wilson

Dated this 5 day of June 2026

I have the authority to bind the Corporation.

SCHEDULE "A"

The Company (hereinafter referred to as the "**Indemnitor**"), hereby agrees to indemnify and hold **GlassRatner Advisory Canada Inc.** or its nominee (hereinafter referred to as "**GR**") and each of the directors, officers, employees and shareholders of GR (hereinafter referred to as the "**Personnel**") harmless from and against any and all expenses, losses, claims, actions and liabilities, joint or several (including the aggregate amount paid in reasonable settlement (subject to the limitations below) of any action, suit, proceeding or claim and the reasonable fees and expenses of its counsel (subject to the limitations below) that may be incurred in advising with respect to and/or defending any claim that may be made against GR) to which GR and/or its Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by GR and its Personnel under the letter agreement to which this indemnity is attached as Schedule "A" or otherwise in connection with the matters referred to in the attached letter agreement, provided, however, that this indemnity shall not apply to the extent that the arbitrator, a court of competent jurisdiction or any governmental commission or regulatory authority with jurisdiction shall determine that:

- (a) GR or its Personnel has been negligent, dishonest, or guilty of wilful misconduct or has committed any fraudulent act in the course of such performance or has acted in bad faith; and
- (b) the expenses, losses, claims, damages or liabilities as to which indemnification is claimed were directly caused by, or arose in connection with, the negligence, dishonesty, wilful misconduct or fraud referred to in (a) above.

In the event of a finding that GR or its Personnel has been negligent, dishonest, or guilty of wilful misconduct or has committed any fraudulent act in the course of such performance or has acted in bad faith, GR shall indemnify and hold harmless the Indemnitor for any expense, losses, claims, damages, or liabilities incurred by the Indemnitor with the provision of this Schedule "A" applying to such indemnification with necessary changes in detail (i.e. *mutatis mutandis*).

The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or GR by any governmental commission or regulatory authority, any stock exchange or other party or parties, or if any of the foregoing shall investigate, or request an investigation of, the Indemnitor and/or GR and the Personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by GR, GR shall have the right to employ its own counsel in connection therewith and, subject to the exceptions referred to under (a) above, the Indemnitor shall pay the reasonable documented fees and expenses of such counsel as well as the reasonable documented costs (including an amount to reimburse GR for time spent by its Personnel in connection therewith) and documented out-of-pocket expenses incurred by GR and its Personnel in connection therewith as they occur.

Promptly after receipt of notice of the commencement of any legal proceeding against GR or any of its Personnel or after receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, GR will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will promptly provide copies of all relevant documentation to the

Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed, provided that at the request of the Indemnitor, GR will permit the Indemnitor and its counsel to assume carriage of the proceeding.

If carriage of the proceeding is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant documentation to GR, will keep GR advised of the progress thereof and will discuss with GR all significant actions proposed.

Notwithstanding the foregoing paragraph, GR or its Personnel (the "Indemnified Party") shall have the right, at the Indemnitor's expense, to employ counsel of such Indemnified Party's choice, in respect of, the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Indemnitor; (ii) the Indemnitor has not assumed the defence and employed counsel therefore within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Indemnitor and the Indemnified Party have both advised (or in the event of a dispute between such counsel, a court of competent jurisdiction has determined) that representation of both parties by the same counsel would be inappropriate because there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnitor or there is a conflict of interest between the Indemnitor and the Indemnified Party or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein.

No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Indemnified Parties affected, such consent not to be unreasonably withheld. No admission of liability shall be made and the Indemnitor shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent, such consent not to be unreasonably withheld. In the event that the Indemnified Party withholds its consent in the circumstances aforesaid in respect of a settlement that is acceptable to the Indemnitor and the claimant, and under the terms of such proposed settlement the Indemnified Party was to be fully indemnified and held harmless, then the Indemnitor shall not have any liability hereunder to the Indemnified Party for the amount of any final settlement or judgement award in excess of the settlement offer rejected by the Indemnified Party, and GR shall indemnify and save harmless the Indemnitor for all costs or expenses incurred by the Indemnitor in any subsequent prosecution of the matter after the aforesaid rejected settlement offer, and for all losses, claims, damages, or liabilities incurred or awarded upon a final determination of the matter in excess of the aforesaid rejected settlement offer.

The Indemnitor agrees to waive any right it may have of first requiring any Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim for payment from any other person (the "Alternative Remedy") before claiming under this indemnity, provided however, that the Indemnitor is fully subrogated to the Indemnified Party's Alternative Remedy and provided that the Indemnified Party has committed no act of commission or omission which would impair or detrimentally affect the Alternative Remedy.

The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of GR, and shall be binding upon and ensure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, GR and any of the Personnel.

The foregoing provisions shall survive the completion of professional services rendered under the attached letter of agreement or any termination of the authorization given by the attached letter of agreement.

TAB 3

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

THE HONOURABLE)	TUESDAY, THE 9 th
)	
JUSTICE W.D. BLACK)	DAY OF JUNE, 2026

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FRESHSTONE BRANDS INC.**

INITIAL ORDER

THIS APPLICATION, made by the Freshstone Brands Inc. (the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by judicial video-conference via Zoom.

ON READING the affidavit of Frank Burdzy sworn June 8, 2026 and the Exhibits thereto (the "**Burdzy Affidavit**") and the pre-filing report of Deloitte Restructuring Inc. ("**Deloitte**") dated June 8, 2026, in its capacity as proposed monitor of the Applicant, the consent of Deloitte to act as the Court-appointed monitor of the Applicant (in such capacity, the "**Monitor**"), and being advised that the secured creditors who are likely to be affected by the charges created herein were given notice; and

UPON HEARING the submissions of counsel for the Applicant, counsel for the proposed Monitor, counsel for the DIP Lender (as defined herein) and such other counsel and parties listed on the Participant Information Form (as defined herein), no one else appearing for any party and on reading the consent of Deloitte to act as the Monitor;

SERVICE

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant 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 Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty, subject to the terms of the Definitive Documents (as defined herein), 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.

5. **THIS COURT ORDERS** that the Applicant shall be entitled to continue to utilize the central cash management system currently in place as described in the Burdzy Affidavit or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken

under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, 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 with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that, subject to and in accordance with the Definitive Documents, the Applicant 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; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

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

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

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

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

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of

this date; (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.

RESTRUCTURING

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

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$50,000 in one transaction or \$250,000 in the aggregate, provided that such limits shall not apply in respect of redundant assets sold by public auction with the consent of the Monitor;
- (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 Applicant to proceed with an orderly restructuring of the Business.

12. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant 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 Applicant's claim to the fixtures in dispute.

13. **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 Applicant 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 Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including June 18, 2026, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant 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

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

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim

against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, including with respect to the obligations and liabilities that may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these 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 Applicant 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 \$1,750,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 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 Applicant'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 herein.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that Deloitte is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant 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 the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination of reports and other information to the DIP Lender and its counsel, pursuant to and in accordance with the Definitive Documents, or as may otherwise be reasonably requested by the DIP Lender;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender and the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel in accordance with the Definitive Documents;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (h) hold and administer funds in connection with arrangements made among the Applicant, any counterparties and the Monitor or by Order of this Court;

- (i) 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; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

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

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

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

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

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor and counsel to the Applicant reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 herein.

DIP FINANCING

32. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Garrington Financial Services Inc. (the "**DIP Lender**") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$1,600,000 unless permitted by further Order of this Court.

33. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Facility Loan Agreement between the Applicant and the DIP Lender dated as of June 8, 2026 (the "**DIP Credit Agreement**"), filed.

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

35. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 38 and 40 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon five (5) days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the DIP Credit Agreement, the Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the DIP Credit Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim

receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

First – Administration Charge (to the maximum amount of \$250,000);

Second – DIP Lender's Charge; and

Third – Directors' Charge (to the maximum amount of \$1,750,000).

39. **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.

40. **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.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also

obtains the prior written consent of the Monitor and of the applicable beneficiaries of the Charge(s) (collectively, the "**Chargees**") or further Order of this Court.

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

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the DIP Credit Agreement or the other 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.

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

SERVICE AND NOTICE

44. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail (National Edition) (and in its online version) a notice containing the information prescribed under the CCAA, (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant 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 make available the claims, names and addresses of any individual persons who are creditors.

45. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/files/guides/the-guide-concerning-commercial-list-e-service-en.pdf>) 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 [‘www.insolvencies.deloitte.ca/Freshstone’](http://www.insolvencies.deloitte.ca/Freshstone).

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

47. **THIS COURT ORDERS** that the Applicant 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.

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

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

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

51. **THIS COURT ORDERS** that any interested party (including the Applicant 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.

52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without any need for filing or entry.



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

Court File No. CL-26-00000265-0000

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FRESHSTONE BRANDS INC.**

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

Proceeding commenced at Toronto

INITIAL ORDER

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TAB 4

Court File No. — [●]

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

THE HONOURABLE —) ~~WEEKDAY~~ TUESDAY, THE #9th
)
~~JUSTICE~~ — JUSTICE W.D. BLACK) DAY OF ~~MONTH~~ JUNE, ~~20~~YR 2026

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

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

INITIAL ORDER

THIS APPLICATION, made by the Freshstone Brands Inc. (the "Applicant,") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCA") was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by judicial video-conference via Zoom.

ON READING the affidavit of ~~[NAME]~~ Frank Burdzy sworn ~~[DATE]~~ June 8, 2026 and the Exhibits thereto, ~~and on~~ (the "Burdzy Affidavit") and the pre-filing report of Deloitte Restructuring Inc. ("Deloitte") dated June 8, 2026, in its capacity as proposed monitor of the Applicant, the consent of Deloitte to act as the Court-appointed monitor of the Applicant (in such capacity, the "Monitor"), and being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, ~~and on hearing~~

UPON HEARING the submissions of counsel for ~~[NAMES], no one appearing for [NAME]~~⁺ ~~although duly served as appears from the affidavit of service of [NAME] sworn~~

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

~~[DATE]~~ the Applicant, counsel for the proposed Monitor, counsel for the DIP Lender (as defined herein) and such other counsel and parties listed on the Participant Information Form (as defined herein), no one else appearing for any party and on reading the consent of ~~[MONITOR'S NAME]~~ Deloitte to act as the Monitor²;

SERVICE

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant 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 Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property.- The Applicant is authorized and

~~may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

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

empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty, subject to the terms of the Definitive Documents (as defined herein), 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.

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

6. **THIS COURT ORDERS** that, subject to and in accordance with the Definitive Documents, the Applicant 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

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

in the ordinary course of business and consistent with existing compensation policies and arrangements; and

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

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

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

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

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

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

9. **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for-resiliated~~⁴ in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears).- On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (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.-

RESTRUCTURING

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

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, ~~and~~ to dispose of redundant or non-material assets not exceeding

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

~~50,000~~ in ~~any~~ one transaction or ~~250,000~~ in the aggregate⁵, provided that such limits shall not apply in respect of redundant assets sold by public auction with the consent of the Monitor;

- (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 Applicant to proceed with an orderly restructuring of the Business ~~(the "Restructuring")~~.

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

13. **THIS COURT ORDERS** that if a notice of disclaimer ~~for-resiliation~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time

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

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

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including ~~[DATE — MAX. 30 DAYS]~~ June 18, 2026, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant 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

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

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings,⁷ including with respect to the obligations and liabilities that may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these 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 Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**")⁸ on the Property, which charge shall not exceed an aggregate amount of \$●1,750,000, as security for the indemnity provided in paragraph ~~{20}~~20 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~{38}~~38 and ~~{40}~~40 herein.

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

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

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 Applicant'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~~20 herein.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that ~~{MONITOR'S NAME}~~Deloitte is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant 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 the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination, of reports and other information to the DIP Lender and its counsel ~~on a [TIME-INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with,~~ pursuant to and in accordance with the Definitive Documents, or as may otherwise be reasonably requested by the DIP Lender;

- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender and the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel ~~on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender~~ in accordance with the Definitive Documents;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (h) [hold and administer funds in connection with arrangements made among the Applicant, any counterparties and the Monitor or by Order of this Court](#);
- (i) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (j) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

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

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

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

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

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

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings.- The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a ~~[TIME INTERVAL]~~ weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, ~~and~~ and counsel to the

Applicant, reasonable retainers ~~in the amount[s] of \$●[-, respectively,]~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any,~~ and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$●250,000,- as security for their professional fees and disbursements incurred at ~~the~~their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. - The Administration Charge shall have the priority set out in paragraphs ~~{38}~~38 and ~~{40} hereof~~40 herein.

DIP FINANCING

32. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from ~~{DIP LENDER'S NAME}~~Garrington Financial Services Inc. (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$●1,600,000 unless permitted by further Order of this Court.

33. **THIS COURT ORDERS** ~~THAT~~that such credit facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~DIP Facility Loan Agreement between the Applicant and the DIP Lender dated as of ~~{DATE}~~ (the "Commitment Letter" June 8, 2026 (the "DIP Credit Agreement")), filed.

34. **THIS COURT ORDERS** that, in addition to the DIP Credit Agreement, the Applicant is also hereby authorized and empowered to execute and deliver such other credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (~~collectively,~~ the "Definitive Documents"), as are contemplated by the ~~Commitment Letter~~DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and

perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the ~~Commitment Letter~~DIP Credit Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made.— The DIP ~~Lender's~~Lender's Charge shall have the priority set out in paragraphs ~~{38}~~38 and ~~{40}~~40 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ~~five~~ five (5) days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the ~~Commitment Letter~~DIP Credit Agreement, the Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the ~~Commitment Letter~~DIP Credit Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

First – Administration Charge (to the maximum amount of \$●250,000);

Second – DIP Lender's Charge; and

Third – Directors' Charge (to the maximum amount of \$●1,750,000).

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

40. **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge~~Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests,

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

trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

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

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

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ~~Commitment Letter~~DIP Credit Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the ~~Commitment Letter~~DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and

- (c) the payments made by the Applicant pursuant to this Order, the ~~Commitment Letter~~ DIP Credit Agreement or the other 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.

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

SERVICE AND NOTICE

44. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~ the Globe and Mail (National Edition) (and in its online version) a notice containing the information prescribed under the CCAA, (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make available the claims, names and addresses of any individual persons who are creditors.

45. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/files/guides/the-guide-concerning-commercial-list-e-service-en.pdf>) 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 'www.insolvencies.deloitte.ca/Freshstone'.

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

47. **THIS COURT ORDERS** that the Applicant 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.

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

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

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

51. **THIS COURT ORDERS** that any interested party (including the Applicant 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.

52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without any need for filing or entry.

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

Court File No.: [●]

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FRESHSTONE BRANDS INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER

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

Court File No.: CL-26-00000265-0000

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FRESHSTONE BRANDS INC.

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

Proceeding commenced at Toronto

**APPLICATION RECORD OF THE APPLICANT
(Returnable June 9, 2026)**

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