

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

B E T W E E N:

NATIONAL BANK OF CANADA

Applicant

- and -

**DROP TECHNOLOGIES INC. (FORMERLY KNOWN AS DROP LOYALTY INC.),
DROP TECHNOLOGIES USA INC., and DROP TECHNOLOGIES HOLDINGS ULC**

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**MOTION RECORD
(Returnable December 9, 2025)**

December 3, 2025

AIRD & BERLIS LLP

Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO# 31871V)

Tel: 416-865-7726

Email: sgraff@airdberlis.com

Adrienne Ho (LSO# 68439N)

Tel: 416-637-7980

Email: aho@airdberlis.com

Lawyers for the Proposed Receiver

TO: SERVICE LIST

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

B E T W E E N:

NATIONAL BANK OF CANADA

Applicant

- and -

**DROP TECHNOLOGIES INC. (FORMERLY KNOWN AS DROP LOYALTY INC.),
DROP TECHNOLOGIES USA INC., and DROP TECHNOLOGIES HOLDINGS ULC**

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

INDEX

<u>TAB</u>	<u>DOCUMENT</u>
1.	Notice of Motion dated December 3, 2025
2.	Second Report of the Receiver
Appendix A	Offer Requirement Letter
Appendix B	Redacted Subscription Agreement
3.	Draft Approval and Reverse Vesting Order
4.	Service List

TAB 1

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

B E T W E E N:

NATIONAL BANK OF CANADA

Applicant

- and -

**DROP TECHNOLOGIES INC. (FORMERLY KNOWN AS DROP LOYALTY INC.),
DROP TECHNOLOGIES USA INC., and DROP TECHNOLOGIES HOLDINGS ULC**

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

NOTICE OF MOTION

KSV Restructuring Inc., in its capacity as the proposed receiver and manager (the “**Proposed Receiver**”), will make a motion to a judge of the Commercial List on December 9, 2025 at 10:00 a.m., as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard

- ☐ In writing under subrule 37.12.1 (1) because it is *(insert one of on consent, unopposed or made without notice)*;
- ☐ In writing as an opposed motion under subrule 37.12.1 (4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location:

By Zoom details provided by the Court

THE MOTION IS FOR:

1. An Approval and Reverse Vesting Order (“RVO”) substantially in the form attached as tab 2 to the Motion Record of the Proposed Receiver, that among other things:
 - (a) approves the share subscription agreement (the “**Subscription Agreement**”) between KSV Restructuring Inc., solely in its capacity as Court-appointed receiver and manager of Drop Technologies Inc. (“**Drop**”), a corporation incorporated pursuant to the laws of Canada, and its subsidiary Drop Technologies Holdings ULC (“**Drop ULC**”), a corporation incorporated pursuant to the laws of Alberta, and not in its personal or corporate capacity (in such capacity, the “**Receiver**”) and Drop Acquisition, Inc., a corporation incorporated pursuant to the laws of the Delaware, as purchaser (the “**Purchaser**”);
 - (b) approves the transaction contemplated in the Subscription Agreement (collectively, the “**Transaction**”), and authorizes the Receiver to take such additional steps and execute such additional documents as necessary or desirable for the completion of the Transactions;
 - (c) declares an Ontario corporation that is to be incorporated (“**ResidualCo**”), to be a respondent in these receivership proceedings;
 - (d) approves a sequence of steps that shall be deemed to have occurred upon delivery of a closing certificate by the Proposed Receiver, which time is referred to as the “**Closing Time**”;
 - (e) approves the First Pre-filing Report (the “**First Report**”) and the Second Pre-filing Report (the “**Second Report**”) of the Proposed Receiver and the activities of the Proposed Receiver and its counsel described therein;
 - (f) seals the Confidential Appendix to a supplemental report to be filed until the earlier of the closing of the Transactions or further order of the Court;
 - (g) authorizes the assignment into bankruptcy of ResidualCo; and

2. such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

3. Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in the Second Report.

Background

4. Drop is a corporation organized under the laws of Canada. Derrick Fung (“**Derrick**”) is one of the directors listed on the profile.
5. Drop Technologies USA Inc. (“**Drop USA**”) is a corporation organized in Delaware. Derrick is listed as president and director of Drop USA.
6. Drop ULC (together with Drop and Drop USA, the “**Borrowers**”) is a corporation organized under the laws of Alberta. Derrick is listed as a director of Drop ULC.
7. The Business largely operates under the name “Drop” - a loyalty rewards technology provider. The Debtors’ three main lines of Business are a mobile app, collection of transactional data from its mobile application, and certain channel partnerships.
8. Drop Loyalty Inc. originally entered into a Loan and Security Agreement dated September 14, 2017 (as amended from time to time, the “**Loan Agreement**”) with Silicon Valley Bank (“**SVB**”). Drop USA and Drop ULC were added as borrowers.
9. In April 2023, National Bank of Canada (“**NBC**”) acquired SVB’s Canadian portfolio of loans. As part of this acquisition, NBC acquired the loans that SVB had made to the Debtors.
10. The Borrowers’ indebtedness remained unpaid, which prompted NBC to bring an application to appoint a receiver.

11. NBC understands that Drop has other business lines called “Cardify” and “Signals”. Cardify describes itself as “a leader in card-linked offers, driving over \$1 billion in annual sales for top brands and retailers by influencing online and offline spending.”
12. Based on the description on its own website, Signals offers analytics regarding consumer spending trends.
13. Pursuant to a pledge of the Borrowers’ intellectual property (the “**IP Pledge**”), the domain names “cardifyinternal.com” and “cardify.ai” are pledged to NBC.

Sales Process

14. Raymond James was retained by Drop to conduct a sales process. From August 2024 to mid-2025, Raymond James canvassed 73 prospective purchasers and investors, made information available to prospective purchasers in an online data room and arranged management meetings for several prospective purchasers. NBC, with the assistance of KSV, monitored the Sale Process and received updates from Raymond James regarding its efforts.
15. A total of four parties (including the Purchaser) submitted expressions of interest at various times during the Sale Process. Two parties, Companies A and B, who submitted non-binding LOIs withdrew them after conducting further diligence.
16. In November 2025, the Purchaser and Company C remained interested in completing a transaction, but neither was able to submit a definitive offer as they had not had the opportunity to complete due diligence and/or their offers remained conditional, primarily on financing and review of additional information concerning the business.
17. Throughout the Sale Process, the Company’s financial position eroded materially, and by October 2025 had become untenable, which created urgency to complete a transaction. As a result, on November 14, 2025, Raymond James, in consultation with the Company and NBC, sent the two parties that remained interested in the opportunity a letter (the “**Offer Requirement Letter**”) requiring each party to submit a final and binding bid along with a

non-refundable deposit by no later than Tuesday November 18, 2025 (the “**Bid Deadline**”). The parties were advised that upon receipt of the offers and an acceptable non-refundable deposit, an offer would be selected, subject to certain approvals and consents required by NBC. Offers were received from the Purchaser and Company C. The Purchaser’s offer was selected as it was for greater value and had fewer conditions.

Approval of the Transactions

18. The Applicants seek an order to approve the Subscription Agreement and Transactions whereby the Purchaser will acquire the Purchased Shares in Drop with the Purchased Entities holding only the Retained Assets and the Retained Liabilities.
19. The Transactions use the reverse vesting structure to effect the transfer of the Purchased Shares to the Purchaser and the transfer to ResidualCo of the Excluded Assets and Excluded Liabilities. The existing equity in Drop will be redeemed and cancelled for no consideration. The Proposed Receiver shall issue to the Purchaser, and the Purchaser shall subscribe for and purchase from the Proposed Receiver, free and clear of all Encumbrances (other than Permitted Encumbrances), 100% of the newly issued common shares of Drop.
20. The Subscription Agreement and the proposed Transactions provide the best outcome for their creditors in the circumstances given that, among other things:
 - (a) in the Proposed Receiver’s view, the Sale Process was carried out on an orderly basis by a reputable investment banker with technology sector experience. The focus of the Sale Process was to identify a going-concern transaction. The Transaction represents the best available financial outcome in the circumstances;
 - (b) the opportunity was marketed for approximately 15 months. The Proposed Receiver does not believe that further time marketing the Company’s business and assets for sale would result in a superior transaction;

- (c) the Transaction is structured as a share deal that provides for the retention by the Company of certain of its liabilities and preserves its tax attributes, both of which enhance the value of the Transaction;
- (d) the Transaction preserves employment for most or all of the Company's existing workforce;
- (e) absent the Transaction, the Company is projected to run out of liquidity in the near term and accordingly, the Company will likely be liquidated;
- (f) the liquidation value of the Company is nominal.
- (g) the Company's intellectual property and tax attributes did not generate any other acceptable bids in the Sale Process;
- (h) NBC, as the principal economic stakeholder, has consented to the Transaction notwithstanding the substantial shortfall it will incur on its exposure to the Company.
- (i) NBC is not prepared to fund the Company to continue the Sale Process or to conduct another one;
- (j) by using an RVO structure to complete the Transaction, the Company's business and tax attributes will be preserved, which is critical to the Purchaser. The Transaction could not be completed if the Purchaser was uncertain as to the acquisition of the Retained Assets; and
- (k) in the Proposed Receiver's view, the terms and conditions of the Subscription Agreement are commercially reasonable. KSV, as proposed Receiver, was involved in the negotiation of the Subscription Agreement and the structure of the Transaction.
- (l) the Subscription Agreement is the best offer obtained in the SISP to maximize value for the Purchased Entities' stakeholders;

Addition of ResidualCo as an Applicant to these Receivership Proceedings

21. Pursuant to the RVO, ResidualCo would be added as an applicant in these proceedings in order to permit the vesting out of the Excluded Assets and Excluded Liabilities. ResidualCo is to be incorporated as a company under the laws of the Province of Ontario.

Vesting of Excluded Assets and Excluded Liabilities in ResidualCo

22. Further to the RVO, the Applicants seek that all Excluded Assets and Excluded Liabilities shall vest absolutely in ResidualCo and cease being obligations of the Purchased Entities.
23. The vesting of the Excluded Assets and Excluded Liabilities in ResidualCo is a condition of the Purchaser as part of the Transactions.
24. ResidualCo would become a Respondent in the proceedings and be managed by the Receiver.

Cancellation of Existing Equity Interests

25. The Applicants seek that all “Existing Shares” pursuant to the RVO shall be deemed terminated and cancelled without consideration. The cancellation of all Existing Shares is required by the Purchaser as part of its purchase of the Purchased Entities.
26. Cancelling the Existing Shares without consideration does not create additional prejudice, as no alternative transaction would provide recovery for equity holders. Given that creditor claims cannot be paid in full, recovery on equity is not possible. Moreover, if the Transactions are not approved, the Purchased Entities would likely be forced into bankruptcy, in which case equity interests would remain worthless and subordinate to all other claims.

Sealing Provisions

27. The Applicants seek to seal the Confidential Exhibit to a supplemental report to be filed, being an unredacted copy of the Subscription Agreement.

28. The disclosure of the confidential information prior to closing of the Transactions would be highly prejudicial to any supplementary marketing efforts that may be required if the Transactions fail to close, as it would undermine the integrity of the process and hinder the maximization of value to the detriment of stakeholders.
29. The sealing order sought is limited in time until the closing of the Transactions or further order of this Court. As such, the sealing order appropriately balances the need to protect the integrity of the sale process with the importance of a public court process.

Other Grounds

30. Rules 1.04, 2.01, 2.03, 3.02, 16, 37, and 39 of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194, as amended.
31. Such further and other grounds as counsel may advise and this Honourable Court may permit.
32. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:
 - (a) The First Report of the Proposed Receiver;
 - (b) The Second Report of the Proposed Receiver; and
 - (c) such other material as is required and this Court may permit

Date: December 3, 2025

AIRD & BERLIS LLP

Brookfield Place
181 Bay St, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO# 31871V)

Tel: 416-865-7726

Email: sgraff@airdberlis.com

Adrienne Ho (LSO # 68439N)

Tel: (416)637-7980

Email: aho@airdberlis.com

Lawyers for the Proposed Receiver

NATIONAL BANK OF CANADA

- and - **DROP TECHNOLOGIES INC.. et al.**

Applicant

Respondents

Court File No: CV-25-00749775-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

NOTICE OF MOTION

AIRD & BERLIS LLP

Brookfield Place
181 Bay St, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO# 31871V)

Tel: 416-865-7726

Email: sgraff@airdberlis.com

Adrienne Ho (LSO # 68439N)

Tel: (416)637-7980

Email: aho@airdberlis.com

Lawyers for the Proposed Receiver

TAB 2



**Second Report of
KSV Restructuring Inc.
As Proposed Receiver of Drop
Technologies Inc.
and Related Companies**

December 3, 2025

Contents	Page
1.0 Introduction	1
1.1 Purposes of this Report.....	3
1.2 Currency	4
1.3 Restrictions	4
2.0 Background	4
3.0 Financial Information	6
3.1 Balance Sheet	6
3.2 Income Statement.....	7
4.0 KSV's Advisory Mandate	8
5.0 Sale Process	8
6.0 Transaction	9
7.0 Urgency	11
8.0 Recommendation	12
8.1 RVO Considerations	13
9.0 Service and Notice	15
10.0 ResidualCo.....	15
11.0 Distributions to NBC	15
12.0 Anticipated Next Steps in these Proceedings	16
13.0 Conclusion and Recommendation	16

Appendices	Tab
Offer Requirement Letter.....	A
Redacted Subscription Agreement.....	B



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

BETWEEN:

NATIONAL BANK OF CANADA

APPLICANT

- AND -

**DROP TECHNOLOGIES INC. (FORMERLY KNOWN AS DROP LOYALTY INC.), DROP
TECHNOLOGIES USA INC., and DROP TECHNOLOGIES ULC**

RESPONDENTS

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY
ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE
ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**SECOND REPORT OF
KSV RESTRUCTURING INC.
AS PROPOSED RECEIVER**

December 3, 2025

1.0 Introduction

1. This pre-filing report (the “**Report**”) is filed by KSV Restructuring Inc. (“**KSV**”) as proposed receiver and manager (the “**Receiver**”) of the property, assets and undertaking of Drop Technologies Inc. (“**DTI**”) and one of its two subsidiaries, Drop Technologies ULC (“**Drop ULC**” and with DTI, the “**Debtors**”). DTI’s other subsidiary, Drop Technologies USA Inc. (“**Drop USA**” and together with the Debtors, the “**Company**”), is not a debtor in the proposed receivership proceedings discussed herein.
2. As of the date of this Report, the Company was indebted to National Bank of Canada (“**NBC**”), the Company’s senior secured creditor, in the amount of approximately US\$7.3 million (the “**NBC Facility**”), before interest and costs, which continue to accrue.

3. KSV was engaged by NBC on December 12, 2023 to provide it with advisory services in respect of its loans to the Company (the “**Advisory Mandate**”).
4. On May 8, 2024, the Company and NBC entered into a Forbearance Agreement (the “**Forbearance Agreement**”). The Forbearance Agreement expired on April 1, 2025. The principal purpose of the Forbearance Agreement was to provide the Company the opportunity to carry out a sale process for its business and assets (the “**Sale Process**”).
5. The Company retained Raymond James Ltd. (“**Raymond James**”) in August 2024 as its investment banker to lead the Sale Process. As more fully detailed in this Report, the Sale Process culminated in the negotiation of a reverse vesting order (“**RVO**”) transaction (the “**Transaction**”) for the purchase of DTI’s shares by Drop Acquisition, Inc. (the “**Purchaser**”). The Transaction is unconditional except for approval by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
6. KSV understands that the principals of the Purchaser are investors in DTI, one of whom is a former observer to DTI’s board of directors (the “**Board**”) and one of whom was a former member of the Board. KSV further understands that the Company’s Chief Executive Officer, Derrick Fung, may have a role and interest in the Purchaser, although the Receiver is not aware of the terms of those arrangements, or whether they have been finalized.
7. In recent days, KSV learned that Drop ULC was struck from the Alberta Corporate Registry and dissolved as a corporation, pursuant to the Alberta Business Corporations Act, and that DTI is currently subject to a notice of intent to dissolve under the Canada Business Corporations Act, and will be struck from the federal corporate register if the default is not remedied. KSV understands that efforts are being made to address the outstanding corporate compliance issues with a view to returning both corporations to good standing in advance of the return of this motion.
8. NBC initially brought an application for the appointment of the Receiver on August 26, 2025. The application has been adjourned on two occasions to allow the Sale Process to be completed. With the terms of the Transaction now settled, NBC intends to seek the appointment of the Receiver, and if appointed, the Receiver intends to immediately seek approval of the Transaction by the Court.
9. Additional background information concerning the Company and the events leading to these proceedings is provided below in this Report, and in the Affidavit of John Karkoutlian, a Senior Director of Special Loans at NBC, sworn August 25, 2025.
10. If KSV is appointed Receiver, all materials filed in these proceedings will be made available on its website at www.ksvadvisory.com/experience/case/drop.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company and these proceedings;
 - b) summarize KSV's role as financial advisor to NBC;
 - c) summarize the Sale Process;
 - d) summarize the Transaction, which is documented in, *inter alia*, a Subscription Agreement dated December 3, 2025 (the "**Subscription Agreement**") between the Receiver and the Purchaser;
 - e) summarize the steps required to implement the Transaction (the "**Pre-Closing Reorganization**"), which are provided in Exhibit "A" to the Subscription Agreement;
 - f) discuss the implications of the Transaction for the Company's stakeholders, including NBC and DTI's shareholders;
 - g) provide the Receiver's rationale for recommending that the Court approve the Transaction and why, in the Receiver's view, it is appropriate that the Transaction be completed pursuant to the RVO;
 - h) recommend that the Court approve the distribution of the Transaction consideration to NBC;
 - i) explain the rationale for the incorporation of "**ResidualCo**" by the Receiver and why ResidualCo is required to be added as a debtor in these proceedings;
 - j) discuss service of the receivership application and the Receiver's motion material; and
 - k) provide the Receiver's recommendations in respect of its application for an order, among other things:
 - i. approving the Pre-Closing Reorganization;
 - ii. approving the RVO, Subscription Agreement, and the Transaction;
 - iii. approving the transfer to ResidualCo of the Company's rights, title and interest in and to the Excluded Assets and the Excluded Liabilities (as defined in the Subscription Agreement);
 - iv. approving the issuance to the Purchaser, and the Purchaser's subscription for and purchase from the Receiver, free and clear of all Encumbrances (other than Permitted Encumbrances), 100% of the newly issued common shares of the Company (the "**Purchased Shares**");
 - v. adding ResidualCo as a debtor in these receivership proceedings; and
 - vi. authorizing distributions of the Transaction consideration to NBC.

1.2 Currency

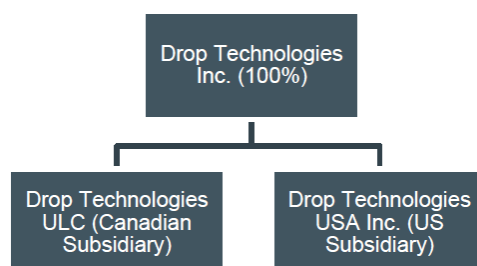
1. Canadian dollars are referenced herein as “C\$” and US dollars as “US\$”.

1.3 Restrictions

1. In preparing this Report, KSV has relied upon the Company’s unaudited financial information, books and records, information in the public domain, and discussions with the Company’s management (“**Management**”), certain members of the Company’s board of directors, NBC, NBC’s counsel and Raymond James.
2. KSV has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied upon to prepare this Report in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party (other than the Court) wishing to place reliance on the financial information should perform its own diligence.

2.0 Background

1. The Company was founded in 2015 by Mr. Fung and his brother Darren, the Chief Technology Officer, and is headquartered in Toronto, Ontario.
2. The Company’s corporate structure is as follows:



- DTI is the main operating entity and substantially all revenue is recorded in this entity.
- Drop USA was founded in 2019, was the employer of its US-based employees and pays certain US vendors.¹ The Company has advised the Receiver that Drop USA does not presently have any US-based employees, carry on active business operations, or hold any material contracts. Drop USA is a defendant in class action litigation commenced in the US.
- Drop ULC was founded in 2021. The Receiver understands that Drop ULC holds the Company’s intellectual property.

¹ Although Drop USA historically paid some US-based vendors, it does not hold the underlying contracts. These are understood to be held by DTI.

3. The Company has developed technology that supports loyalty reward programs. It operates an app-based rewards platform that allows consumers to earn points for purchases made at partner merchants, in exchange for which the Company gains access to detailed, anonymized consumer transaction data. Revenue is generated through three primary streams:
 - a) **Drop Mobile App:** The Company operates a mobile application that tracks consumers' debit and credit card purchases made with specific vendors and provides "Drop points" to consumers based on this spending. Drop points are either funded by external merchants or by the Company itself. When consumers reach certain point thresholds, the points can be redeemed for rewards (known as "**Card-Linked Offers**" or "**CLOs**").
 - b) **Data revenue:** The Company collects debit and credit transaction data from its mobile application and through an arrangement with a US-based consumer financial services company (the "**US Financial Services Company**"). This data provides visibility into consumer spending habits. The Company sells this data to various users, including hedge funds, investment banks, consulting firms and others. The data is sold as a service or piecemeal.
 - c) **Channel partnerships:** The Company provides "white label" targeted CLO services to customers of its channel partners (including financial institutions and/or credit card networks). The Company places campaigns with its channel partners who publish the CLOs to their clients. The Company earns a percentage commission on total merchant budget dollars spent through the marketing campaign which is shared with the channel partners.
4. The Receiver understands that the Company had approximately one million active app users, and through its strategic relationship with the US Financial Services Company, it accessed anonymized spending data for millions of consumers. The Company's proprietary technology platform integrates app and partner datasets into a unified database.
5. The Company's merchant network includes multiple consumer categories, including retail, travel, and food delivery, and the user base is primarily in North America.

6. The Company currently has 9 employees and contractors, including Derrick and Darren Fung².

3.0 Financial Information

3.1 Balance Sheet

1. The balance sheet below provides the Company's financial position as of July 31, 2025, being the most recent financial statements available to the Receiver. As noted below, the Company's cash and accounts receivable balances were C\$463,000 and C\$4.0 million, respectively, as of July 31, 2025. These balances were C\$718,000 and C\$3.6 million, respectively, as of November 30, 2025.

(Unaudited; Prepared by Management)	Book Value³
Description	(C\$000s)
ASSETS:	
Cash	463
Accounts Receivable	3,984
Other Assets	84
Total Assets	4,531
LIABILITIES	
Accounts Payable and Accrued Liabilities	8,253
NBC Facility	9,416
Convertible Notes	20,862
Other Liabilities	281
Total Liabilities	38,812
DEFICIT	
Share Capital	117,551
Contributed Surplus	4,990
Retained Earnings (Deficit)	(156,822)
Total Deficit	(34,281)
Total Liabilities and Deficit	4,531

2. As reflected by the balance sheet, the Company's capital structure is comprised of the following:
- a) approximately C\$117.6 million of share capital (common shares and preferred shares) raised in multiple rounds from over 100 investors;
 - b) approximately C\$20.9 million of convertible debt raised in multiple tranches; and

² KSV has been advised that Darren has a contract with the Company.

³ Points Inventory and an offsetting Points Liability is recorded on the Company's internal balance sheet. As these amounts are offsetting, they are excluded from the balance sheet summary, above. Both balances were C\$20.7 million as of July 31, 2025. They are recorded when Drop points are issued to consumers. Cash outflow occurs when points are redeemed by consumers.

- c) debt of approximately C\$9.4 million (before accrued interest and costs) owing under the NBC Facility.
- 3. The balance sheet also reflects:
 - a) accounts payable and accrued liabilities of approximately C\$8.3 million;
 - b) liabilities exceed assets by over C\$34 million; and
 - c) negative retained earnings of approximately C\$156.8 million, representing a history of significant recurring losses.
- 4. Early in the Advisory Mandate, Management advised KSV that the Company had negotiated payment arrangements with vendors representing the majority of the accounts payable balance. KSV has been advised that the Company failed to meet the terms of those arrangements and as a result, several of the Company's key vendors have discontinued providing critical services to the Company and are unwilling to do so until the arrears are addressed. As a result of the impaired state of the vendor relationships, the Company's operations have been substantially reduced in recent months.
- 5. As of November 30, 2025, the Company's cash balance had increased to approximately C\$718,000, largely by deferring payments to the critical vendors. KSV understands that payments are required immediately to several of these vendors, without which the Company's business and operations may not be repairable. KSV understands that certain of these payments will be made in the near term (or were made on or around December 3, 2025), such that the Company will be effectively illiquid after the payments are made.

3.2 Income Statement

- 1. The income statement below reflects the Company's financial results for its fiscal years ending December 31, 2023, and 2024, and the seven-month period ending July 31, 2025.

(C\$000s)	YTD July 2025	2024	2023
Sales	9,476	15,189	8,967
Gross Profit	2,146	6,178	3,911
Operating Expenses	5,197	7,832	15,130
Net Loss	(3,051)	(1,654)	(11,219)

- 2. As reflected by the income statement summary, the Company generated losses totaling approximately \$16 million between December 1, 2023 and July 31, 2025. Losses have continued since that date. Due to its ongoing losses and its illiquidity, the Company has been required to substantially reduce its operations in recent months.

4.0 KSV's Advisory Mandate

1. KSV's engagement letter for its Advisory Mandate states that the Advisory Mandate will terminate if KSV is appointed to act in an insolvency proceeding involving the Company, at which point it will be an independent officer of the court, subject to statute and the order appointing it. The Advisory Mandate does not preclude KSV from acting as a court officer in a court-supervised insolvency proceeding involving the Company.

5.0 Sale Process

1. Raymond James is an investment bank with significant experience in the technology sector. The Company retained Raymond James to conduct the Sale Process based on its experience in the sector. NBC consented to the retention of Raymond James.
2. In order to assist the Company's liquidity during the Sale Process, and to allow the Sale Process to be carried out on an orderly basis, NBC and the Company entered into the Forbearance Agreement, pursuant to which the Company was not required to pay interest and principal to NBC during the "Forbearance Period", which has since expired.
3. From August 2024 to mid-2025, Raymond James canvassed 73 prospective purchasers and investors, made information available to prospective purchasers in an online data room and arranged management meetings for several prospective purchasers. NBC, with the assistance of KSV, monitored the Sale Process and received updates from Raymond James regarding its efforts.
4. Of the parties that participated in the Sale Process, 22 executed confidentiality agreements and performed due diligence. Prospective purchasers were advised that the assets available to be acquired included the Company's business, assets and the Company's tax attributes, including non-capital losses totaling approximately C\$140 million.
5. A total of four parties (including the Purchaser) submitted expressions of interest at various times during the Sale Process.
6. Company A⁴ submitted a non-binding LOI on January 27, 2025, and Company B submitted a non-binding LOI on September 12, 2025. Both parties withdrew their LOIs shortly after conducting further diligence.
7. In November 2025, the Purchaser and Company C remained interested in completing a transaction, but neither was able to submit a definitive offer as they had not had the opportunity to complete due diligence and/or their offers remained conditional, primarily on financing and review of additional information concerning the business.
8. Throughout the Sale Process, the Company's financial position eroded materially, and by October 2025 had become untenable, which created urgency to complete a transaction. As a result, on November 14, 2025, Raymond James, in consultation with the Company and NBC, sent the two parties that remained interested in the opportunity a letter (the "**Offer Requirement Letter**") requiring each party to submit a final and binding bid along with a non-refundable deposit by no later than Tuesday November 18, 2025 (the "**Bid Deadline**"). The parties were advised that upon receipt of the offers

⁴ The names of these parties have not been identified in this Report. KSV can provide them to the Court if it wishes to have them.

and an acceptable non-refundable deposit, an offer would be selected, subject to certain approvals and consents required by NBC. A copy of the Offer Requirement Letter is provided in **Appendix “A”**.

9. Offers were received from the Purchaser and Company C. The Purchaser's offer was selected as it was for greater value and had fewer conditions.

6.0 Transaction⁵

1. The following section provides an overview of the Transaction. The information in this section is provided in summary format only. A copy of a redacted version of the Subscription Agreement is attached as **Appendix “B”**⁶.
 - a) **Purchaser**: a corporation incorporated pursuant to the laws of Delaware.
 - b) **Purchased Shares**: pursuant to the Subscription Agreement, the Receiver shall issue to the Purchaser, and the Purchaser shall subscribe for and purchase from the Receiver, free and clear of all Encumbrances (other than Permitted Encumbrances), 100% of the newly issued common shares of the Company;
 - c) **Pre-Closing Reorganization**: Exhibit “A” to the Subscription Agreement provides the steps and transactions to be completed prior to closing (collectively, the “**Implementation Steps**”), which are summarized as follows:
 - i. the Purchaser pays the Deposit to the Receiver;
 - ii. the Receiver incorporates and organizes ResidualCo with nominal consideration for common shares;
 - iii. ResidualCo is added to the Receivership Proceedings as a Debtor;
 - iv. One day prior to the Closing Date, the Purchaser shall have paid to the Receiver the Closing Payment, to be held in trust and released in accordance with these Implementation Steps;
 - v. Effective as of the Closing Time, the following steps shall take place sequentially in accordance with the Approval and RVO:
 - a. all Employees designated by the Purchaser as Terminated Employees will be terminated by the Receiver;
 - b. the Excluded Assets, the Excluded Contracts, and the Excluded Liabilities shall be transferred to, and vest in, ResidualCo;
 - c. the Articles of Reorganization in respect of DTI shall be filed by the Receiver with the applicable Governmental Authority, and shall be deemed to be effective;

⁵ Defined terms in this section of the Report have meanings provided to them in the Subscription Agreement.

⁶ KSV intends to file a supplemental report with an unredacted version of the Subscription Agreement in advance of the return of this motion. The only redacted information in the purchase price and the payment mechanisms related thereto.

- d. the Existing Equity shall be redeemed and cancelled for no consideration pursuant to the Approval and RVO and the Articles of Reorganization;
 - e. the Receiver shall issue the Purchased Shares to the Purchaser;
 - f. the Purchase Price (other than the Retained Liabilities retained by the Purchased Entities) shall be released to the Receiver for the benefit of ResidualCo, and the Purchase Price payable at Closing shall be satisfied in accordance with the terms of the Subscription Agreement;
 - g. the Receiver shall fund the Wind Down Reserve from the balance of the Deposit and the Closing Payment and hold such amount in trust for the benefit of the parties entitled thereto; and
 - h. Closing shall be deemed to have occurred.
- d) **Excluded Assets:** includes \$150,000 of the Company's present cash balance, the Excluded Contracts and the shares and any other interest owned in Drop USA, as set out in Schedule "A" to the Subscription Agreement;
- e) **Retained Assets:** the shares of Drop ULC, Intellectual Property, equipment, Retained Contracts, Permits and Licenses, Books and Records, Business, tax losses, undertakings, any excise deposit held by Canada Revenue Agency, accounts receivables, and cash in the bank account at Closing, if any. The Retained Assets would not include the Excluded Assets or the Excluded Contracts.
- f) **Purchase Price:** the purchase price consideration is up to \$● million comprised of:
- the Deposit;
 - cash due on Closing;
 - the retention of the Retained Liabilities (described below);
 - the Financing Payment to be payable to the Receiver within 15 days of the closing of the financing round (the "**Equity Raise**") with the terms substantially set out in the term sheet attached to the Subscription Agreement;
 - as applicable, accounts receivable to be collected (the "**Collected Receivable Payments**") and/or the uncollected receivables payment (the "**Uncollectible Receivables Payment**"), each as further described below; and
 - in respect of each Terminated Employee, an amount up to \$2,000, subject to an aggregate cap of \$15,000.
- g) **Retained Liabilities:** the Purchaser will assume any and all liabilities related to the Retained Contracts and Retained Assets, as set out in Schedule "E" of the Subscription Agreement.

- h) **Collection of Accounts Receivables:** The Purchaser shall use its commercially reasonable efforts to collect accounts receivables of Drop that remain outstanding on the Closing Date during the Collection Periods (collectively defined in the Subscription Agreement as 30 days after Closing, 31 to 60 days after Closing, 61 to 90 days after Closing, and 91 to 180 days after Closing, and each a “**Collection Period**”). Within 15 days after each Collection Period, the Purchaser shall pay the Receiver the amount of any Closing Date Receivables collected during such Collection Period provided that the aggregate total amount payable by the Purchaser to the Receiver shall not exceed C\$● million. If the total amount of Closing Date Receivables collected by the Purchaser during the Collection Periods is less than \$●, the Purchaser shall, within 15 days of the end of the last Collection Period, pay to the Receiver the difference between \$● and the amount of Closing Date Receivables collected by the Purchaser by the end of the Collection Period.
- i) **Employees:** the Receiver understands that the Purchaser intends to retain substantially all of the Company’s employees; provided, however, that the Purchaser shall have the right to identify any employees whose employment with the Company it wishes to terminate, and the Company shall terminate the employment of such employees with effect immediately before the Closing Date.
- j) **Excluded Liabilities:** consist of the Company’s debts and obligations other than the Retained Liabilities, which Excluded Liabilities shall be transferred to, and assumed in full by, ResidualCo. A non-exhaustive list of Excluded Liabilities is set out in Schedule “F” of the Subscription Agreement.
- k) **Transfers to Residualco:** on the Closing Date, prior to the sale of the Purchased Shares, the Excluded Liabilities shall be assumed by ResidualCo through the RVO. With the benefit of the Wind Down Reserve, ResidualCo will file an assignment in bankruptcy.
- l) **Representations and Warranties:** consistent with the terms of a standard insolvency transaction, i.e., on an “as is, where is” basis, with limited representations and warranties.
- m) **Material Conditions:** the only material conditions precedent are that the Court shall have issued the Appointment Order and the Approval and Reverse Vesting Order.
- n) **Closing:** subject to Court approval, Closing is expected to occur on or prior to the Outside Date (defined in the Subscription Agreement as thirty days after the granting of the Approval and RVO, or such later date and time as the Parties may agree to in writing, each acting reasonably).

7.0 Urgency

1. KSV, as proposed Receiver, is of the view that there is urgency to complete the Transaction for the following reasons:
 - a) the Company has significant negative cash flow which will require it to cease operating in the near term if the Transaction is not completed, resulting in the loss of any remaining goodwill associated with the business and the termination of the remaining employees;

- b) absent approval of the Transaction, there is no party that is prepared to continue to finance the Company's operations, including NBC;
- c) critical vendor relationships need to be addressed immediately, including those integral to the continued operations of the business;
- d) the continued uncertainty in the business has resulted in a substantial risk that key employees will resign; and
- e) there are no other viable options for the business that would result in a continuation of the business given the situation with the critical vendors. If the business does not resume operating in the very near term, the Company is likely to be liquidated forthwith. Given the nature of the Company's assets, recoveries in a liquidation would be nominal; negative recoveries are possible.

8.0 Recommendation

1. The Receiver recommends that the Court approve the Transaction and issue the RVO for the following reasons:
 - a) in the Receiver's view, the Sale Process was carried out on an orderly basis by a reputable investment banker with technology sector experience. The focus of the Sale Process was to identify a going-concern transaction. The Transaction represents the best available financial outcome in the circumstances;
 - b) the opportunity was marketed for approximately 15 months. The Receiver does not believe that further time marketing the Company's business and assets for sale would result in a superior transaction;
 - c) the Transaction is structured as a share deal that provides for the retention by the Company of certain of its liabilities and preserves its tax attributes, both of which enhance the value of the Transaction;
 - d) the Transaction preserves employment for most or all of the Company's existing workforce;
 - e) absent the Transaction, the Company is projected to run out of liquidity in the near term and accordingly, the Company will likely be liquidated;

- f) the liquidation value of the Company is nominal. In a liquidation, the collectability of the accounts receivable (the Company's most material tangible asset) would be impaired as the Company would not be able to fulfill its obligations to its customers, likely resulting in damage claims from the customers. Additionally, the Company's intellectual property and tax attributes did not generate any other acceptable bids in the Sale Process;
- g) NBC, as the Company's principal economic stakeholder, has consented to the Transaction notwithstanding the substantial shortfall it will incur on its exposure to the Company. NBC is not prepared to fund the Company to continue the Sale Process or to conduct another one;
- h) by using an RVO structure to complete the Transaction, the Company's business and tax attributes will be preserved, which is critical to the Purchaser. The Transaction could not be completed if the Purchaser was uncertain as to the acquisition of the Retained Assets; and
- i) in the Receiver's view, the terms and conditions of the Subscription Agreement are commercially reasonable. KSV, as proposed Receiver, was involved in the negotiation of the Subscription Agreement and the structure of the Transaction.

8.1 RVO Considerations

1. The Receiver believes it is necessary and appropriate for the Transaction to be completed pursuant to an RVO. In forming its view, the Receiver considered the issues raised by this Court in the CCAA proceedings of *Payslate Inc.* and the considerations in the *Harte Gold* case, which are set out below.

a) *Why is the RVO necessary in this case?*

The Company's tax attributes represent a valuable asset to the Purchaser and their acquisition is a key term of the Transaction.

In addition to the receivership option contemplated herein, consideration was also given to completing the Transaction through a CCAA plan of arrangement; however, no party is prepared to sponsor a Plan given there is no value for any stakeholder in these proceedings other than NBC. Additionally, the cost of drafting a Plan, convening a meeting of creditors to vote on the Plan and conducting a claims process would be wasteful in the circumstances as NBC is the only creditor with an economic interest. The Receiver understands that NBC would not fund such a process, including the Company's operations during the process, which would need to include significant amounts to pay the arrears owing to critical vendors. The delay and uncertainty on the Company's business resulting from a Plan process would also cause employees to consider employment opportunities with a more stable employer. The RVO effectively provides all the benefits of a Plan, while providing more certainty, with less cost, risk and instability.

- b) *Does the RVO structure produce an economic result at least as favourable as any other viable alternative?*

The RVO allows for the expedient conveyance of the Retained Assets and the Company's tax attributes to the Purchaser. Without an RVO, the ability to transfer the tax attributes would be at risk. NBC has advised the Receiver that it is not prepared to continue to fund the Company, meaning the Company's business and assets would need to be liquidated if the Transaction is not completed, resulting in a loss of employment, and nominal (if any) recoveries to NBC, as discussed above. The issuance of an RVO is a material condition of the Subscription Agreement and is integral to completing the Transaction. Accordingly, there does not appear to be any alternative viable option to an RVO.

The Receiver is also mindful that the Sale Process has already been conducted and that there is no money available to conduct a further process, including from NBC. The Receiver is strongly of the view that further time marketing the business for sale will not result in a superior transaction and would be prejudicial to NBC, the Company's employees, and other stakeholders.

- c) *Is any stakeholder worse off under the RVO structure than they would have been under any other viable alternative?*

In the Receiver's view, no stakeholders are prejudiced by the issuance of an RVO relative to their treatment and outcome under any other viable option (if any). In particular, the claims and liabilities being transferred to ResidualCo are unsecured and/or would receive no distribution under any transaction structure. Given the value of NBC's secured claims, and its significant projected shortfall, there would be no funds available for distribution to any of the Company's creditors subordinate to NBC under any other realization scenario.

- d) *Does the consideration being paid for the debtor's business reflect the importance and value of the licenses and permits (or other intangible assets) being preserved under the RVO structure?*

For the reasons noted in (a) above, in the Receiver's view, the value of the Company's tax attributes being preserved under the RVO structure is a critical consideration in structuring the Transaction. The consideration being paid by the Purchaser is directly attributable to their importance and value, which provides the best available outcome for stakeholders, including NBC, the Company's employees and vendors.

2. Based on the foregoing, the Receiver recommends that this Court approve the Transaction and grant the RVO.

9.0 Service and Notice

1. In preparing for this application, the Purchaser, the Receiver and their respective legal counsel were cognizant of the concerns raised by the supervising court in the *Payslate* matter as it relates to providing service to parties which may be affected by the granting of an RVO. In this regard:
 - a) service of NBC's application was sent to the Service List in these proceedings on August 21, 2025, around 3 months prior to the hearing of this application on December 9, 2025; and
 - b) in addition to the Service List in these proceedings, the materials related to the proposed RVO structure have been served on (i) the majority of contract counterparty/counterparties whose contracts will be assumed by the Purchaser (except for the Company's current employees); (ii) Canada Revenue Agency and; (iii) DTI's shareholders.
2. Affidavits of service will be filed as part of a confidential exhibit to be filed with the Court regarding service to customer contract parties and shareholders. As these contain proprietary or confidential information, the Receiver does not believe it is appropriate to make publicly available the personal contact information of DTI's shareholders.
3. Based on the foregoing, the Receiver believes that service of this application is adequate in the circumstances of this case.

10.0 ResidualCo

1. The proposed RVO authorizes the Receiver to incorporate ResidualCo for the purpose of completing the Transaction. It is contemplated that, pursuant to the terms of the RVO, the Excluded Assets and Excluded Liabilities would vest in ResidualCo and that ResidualCo would become a debtor company subject to these receivership proceedings upon the issuance of the order sought.
2. Other parties have registered security interests against the Company⁷; however, given the economics of this Transaction, there would be no funds available for distribution to these creditors under any circumstance. The Receiver is not aware of any deemed trust claims being transferred to ResidualCo. Accordingly, NBC is the only creditor with an economic interest in the Transaction and there does not appear to be any prejudice to the parties that will become creditors of ResidualCo should the relief sought be granted.

11.0 Distributions to NBC

1. As at December 2, 2025, the Company's indebtedness owing to NBC was approximately US\$7.3M, before interest and costs, which continue to accrue.
2. The order contemplates a cash distribution to NBC.

⁷ RBC has been served with a copy of these materials. This is discussed further in Section 11 below.

3. KSV is not aware of any other secured creditors or any claim that ranks or may rank in priority to NBC, other than (i) the amounts secured under the Receiver's Charge, for which adequate provision for payment has been or will be made, and (ii) a registration in favour of Royal Bank of Canada in respect of collateral classifications, Accounts and Other. KSV is not aware of any amounts owing by the Company to RBC.
4. In advance of this Application, the Receiver instructed its legal counsel, Chaitons LLP ("**Chaitons**"), to provide an opinion on the validity and enforceability in the Province of Ontario of NBC's security granted by DTI, DTI ULC and DTI US. Chaitons' opinion provides that, subject to the customary assumptions and qualifications contained therein, the security granted by these entities to NBC is valid and enforceable. Chaitons has advised that the Intellectual Property Security Agreement appears to be registered in the United States only, and has not expressed any opinion with respect to the validity and enforceability of the security to the extent the laws of another jurisdiction may apply. Chaitons is presently finalizing its opinion, and if its final opinion identifies any concerns with respect to the validity and enforceability of the security granted to NBC, the Receiver will file a supplemental report before the hearing of this Application.
5. The Receiver intends obtain in advance of the return of this motion a security opinion under Alberta law but can do so if that becomes necessary. The Receiver notes that PPSA searches conducted against the Debtors in August 2025 (those searches are currently being updated) disclosed that NBC was the only party with registrations against each of the Debtors.

12.0 Anticipated Next Steps in these Proceedings

1. Subject to Court approval of the relief sought at this motion, the next steps in these proceedings include the following:
 - a) the Purchaser, the Receiver and their respective legal counsel intend to close the Transaction forthwith in accordance with the Subscription Agreement, and transactions contemplated by the Pre-Closing Reorganization;
 - b) upon closing of the Transaction, making distributions to NBC; and
 - c) shortly following closing of the Transaction, it is expected that ResidualCo will make an assignment in bankruptcy.

13.0 Conclusion and Recommendation

1. Based on the foregoing, the KSV respectfully recommends that the Court make an order granting the relief detailed in this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS PROPOSED RECEIVER OF
THE PROPERTIES, ASSETS AND UNDERTAKINGS OF
DROP TECHNOLOGIES INC. AND RELATED COMPANIES
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”

From:
To:
Cc:
Subject:

Drop Technologies - Process Update

[REDACTED]

Thank you for your ongoing interest in a transaction involving Drop Technologies and its related entities. The sale process must be advanced without further delay. We understand that you have submitted, or you are prepared to submit, an offer for the business and/or its assets. We ask that you remit any offer you wish to submit to us (with a copy to John Karkoutlian of NBC (john.karkoutlian@bnc.ca)) your final and binding bid, without conditions (including, without limitation, due diligence or financing), by no later than **Tuesday, November 18, 2025 at 5pm.**

You have been provided with a form of agreement in which we strongly recommend you submit with your offer. Upon receipt of the offer and an acceptable non-refundable deposit (as has been discussed with you), your offer will be provided to NBC's for review by its credit committee and to obtain its consent, as senior lender to Drop. That process will take no longer than three days, after which, assuming credit approval is granted, the parties will move forward with your offer on an exclusive basis. There is no intention to prolong the offer process any further. Accordingly, if your bid complies with the above, and NBC consents, it will be advanced promptly by the appropriate parties.

Regards,
Gilles

[Gilles Hickey](#)

Raymond James Ltd.
Director, Investment Banking
M: 647.302.2995

From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: Drop Technologies - Process Update [REDACTED]

[REDACTED]

Thank you for your ongoing interest in a transaction involving Drop Technologies and its related entities. The sale process must be advanced without further delay. We understand that you have submitted, or you are prepared to submit, an offer for the business and/or its assets. We ask that you remit any offer you wish to submit to us (with a copy to John Karkoutlian of NBC (john.karkoutlian@bnc.ca)) your final and binding bid, without conditions (including, without limitation, due diligence or financing), by no later than **Tuesday, November 18, 2025 at 5pm.**

You have been provided with a form of agreement in which we strongly recommend you submit with your offer. Upon receipt of the offer and an acceptable non-refundable deposit (as has been discussed with you), your offer will be provided to NBC's for review by its credit committee and to obtain its consent, as senior lender to Drop. That process will take no longer than three days, after which, assuming credit approval is granted, the parties will move forward with your offer on an exclusive basis. There is no intention to prolong the offer process any further. Accordingly, if your bid complies with the above, and NBC consents, it will be advanced promptly by the appropriate parties.

Regards,
Gilles

Gilles Hickey

Raymond James Ltd.
Director, Investment Banking
M: 647.302.2995

Appendix “B”

SUBSCRIPTION AGREEMENT

This Agreement is made as of the _____ day of _____ 2025 (the “**Effective Date**”)

AMONG:

KSV Restructuring Inc., solely in its capacity as Court-appointed receiver and manager of Drop Technologies Inc., a corporation incorporated pursuant to the laws of Canada, and its subsidiary Drop Technologies Holdings ULC, a corporation incorporated pursuant to the laws of Alberta, and not in its personal or corporate capacity (in such capacity, the “**Receiver**”);

- and -

Drop Acquisition, Inc., a corporation incorporated pursuant to the laws of the Delaware (“**Purchaser**” and, together with the Receiver, the “**Parties**”).

WHEREAS:

- A. Pursuant to the order of the Honourable Justice ● of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued December ●, 2025 (the “**Appointment Order**”), KSV Restructuring Inc. was appointed as Receiver and authorized to sign this Agreement in such capacity;
- B. Drop Technologies Inc. (“**Drop**”), together with its subsidiaries, Drop Technologies Holdings ULC (“**DTH**”) and Drop Technologies USA Inc. (“**Drop USA**”) are engaged in the business of consumer customer loyalty rewards;
- C. Drop, Drop USA and DTH (collectively the “**Debtors**”) are parties to a certain Loan and Security Agreement dated as of September 14, 2017 as amended by that certain First Amendment to Loan and Security Agreement dated as of January 31, 2018, as further amended by that certain Joinder and Second Amendment to Loan and Security Agreement dated as of September 13, 2019, as further amended by that certain Third Amendment to Loan and Security Agreement dated as of December 8, 2020, as further amended by that certain Waiver and Fourth Amendment to Loan and Security Agreement dated as of September 27, 2021 as further amended by that certain Joinder and Fifth Amendment to Loan and Security Agreement dated as of January 12, 2022, as further amended by a letter amending agreement dated January 27, 2022, as further amended by that certain Sixth Amendment to Loan and Security Agreement dated June 30, 2022, as further amended by the Forbearance and Seventh Amendment to the Loan and Security Agreement dated May 8, 2024, and as further amended by the Eighth Amendment to the Loan and Security Agreement dated May 28, 2024 (as the same may from time to time be further amended, modified, supplemented or restated, the “**Loan Agreement**”) with National Bank of Canada (“**NBC**”) and under such agreement the Debtors have defaulted and, in compliance with certain forbearance terms agreed with NBC, sought to carry out a sales and marketing process such that the debts owing under the Loan Agreement would be repaid in full;
- D. Following a sale process that commenced on or around April 2024, the Purchaser’s offer has been selected as the best and highest offer;

- E. NBC commenced an application for the appointment of a receiver and manager and adjourned the application several times to permit the sale process to be completed, including discussions in respect of this Agreement and to facilitate a transaction to allow the continued operation of the Business;
- F. The Purchaser wishes to subscribe for the Purchased Shares (as defined herein); and
- G. The Parties wish to consummate the Transaction (as defined herein) through a reverse vesting order structure pursuant to which the Purchaser shall, directly or indirectly, subscribe for the Purchased Shares consisting of the Retained Assets (as defined herein) and Retained Liabilities (as defined herein) free and clear of all Encumbrances (as defined herein), and all of the Excluded Assets (as defined herein) and Excluded Liabilities (as defined herein) shall be vested in ResidualCo (as defined herein), in accordance with the Approval and Reverse Vesting Order (as defined herein) and the Implementation Steps (as defined herein).

NOW THEREFORE, in consideration of the mutual covenants and agreements set out in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the following terms shall have the following meanings:

“Action” means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

“Affiliate” has the meaning given to the term “affiliate” in the *Canada Business Corporations Act*.

“Agreement” means this subscription agreement, as may be further amended and restated from time to time in accordance with the terms hereof, with the consent of the Receiver, and **“Article”** and **“Section”** mean and refer to the specified article, section and subsection of this Agreement.

“Alternative Transaction” has the meaning set out in Section 5.4.

“Applicable Law” means, in respect of any Person, property, transaction or event, any:

- (a) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order;
- (b) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and
- (c) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“Appointment Order” means the order of the Court which appoints the Receiver as Court-appointed receiver and manager of Drop under subsection 243(1) of the BIA and section 101 of the Courts of Justice Act, R.S.O. 1990, c. c.43 as amended.

“Approval and Reverse Vesting Order” means an order of the Court, in form and substance satisfactory to the Purchaser, in its sole discretion, among other things:

- (a) approving and authorizing the Transaction and vesting in the Purchaser (or as it may direct) all the right, title and interest in and to the Purchased Shares, free and clear from any Encumbrances;
- (b) authorizing the Receiver to file the Articles of Reorganization;
- (c) cancelling all of the Existing Equity for no consideration; and
- (d) terminating the Receivership Proceedings in respect of the Purchased Entities.

“Articles of Reorganization” means articles of reorganization in respect of Drop’s authorized and issued share capital immediately prior to the Closing of the Transaction, authorizing the issuance of the Purchased Shares and the cancellation of the Existing Equity for no consideration on Closing; such articles of reorganization to be in a form and substance satisfactory to the Purchaser, acting reasonably.

“Authorization” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“BIA” means the *Bankruptcy and Insolvency Act*, R.S.C., c. B-3, as amended.

“Books and Records” means:

- (a) all of the Purchased Entities’ files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including financial, Tax and accounting books and records; and
- (b) all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including financial, Tax and accounting books and records used by, or in the possession of the Purchased Entities, including information, documents and records relating to the Retained Contracts, the Employees, customer lists, customer information and account records, sales records, computer files, data processing records, sales literature, advertising and marketing data and records, cost and pricing information, production reports and records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

“Business” means the business conducted by the Purchased Entities, being the business of consumer customer loyalty rewards and related technology, including for greater certainty i) the products known as Cardify and Signals; and ii) transaction data derived from business conducted by the Purchased Entities including analysis of such data

"Business Day" means a day on which banks are open for business in Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

"Claims" means all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise.

"Closing" means the closing and consummation of the Transaction.

"Closing Certificate" has the meaning set out in Section 9.14.

"Closing Date" means the date that is three (3) days after the date upon which the conditions set out in Article 7 have been satisfied or waived, other than any conditions set out in Article 7 that by their terms are to be satisfied or waived at the Closing, provided that if such date is not a Business Day, the next following Business Day.

"Closing Date Receivables" has the meaning set out in Section 3.4

"Closing Payment" has the meaning set out in Section 3.2(b).

"Closing Time" means 12:01 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing.

"Collected Receivable Payments" has the meaning set out in Section 3.4.

"Collection Periods" means collectively (i) the period from the Closing Date to the 30th day after the Closing Date, (ii) the period from the 31st day after the Closing Date to the 60th day after the Closing Date, (iii) the period from the 61st day after the Closing Date to the 90th day; and (iv) the period from the 91st day to the 180th day after the Closing Date, and **"Collection Period"** means any one of them.

"Contracts" means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which a Purchased Entity is a party or by which a Purchased Entity is bound or in which a Purchased Entity, or will at Closing have, any rights or by which any of its property or assets are or may be affected, including any Contracts in respect of Employees.

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

"Debtors" has the meaning set out in the recitals hereto.

"Deposit" means the [REDACTED] paid to the proposed Receiver, in trust, on November 21, 2025.

"Discharged" means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, the full, final, irrevocable, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

“Drop” has the meaning set out in the recitals hereto.

“Drop Shares” means all of the issued and outstanding shares in the capital of Drop.

“Drop USA” has the meaning set out in the recitals hereto.

“DTH” has the meaning set out in the recitals hereto.

“Effective Date” has the meaning set out in the preamble hereto.

“Employee” means any individual who is employed by a Purchased Entity as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short term or long term disability leave, but for certainty excludes any employee whose employment will be terminated pursuant to Section 7.2(e).

“Employee Termination Costs” has the meaning set out in Section 5.8.

“Encumbrance” means any security interest, lien, Claim, charge, right of retention, deemed trust, judgement, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

“Equity Interest” means any shares, warrants, options, or other right to acquire a share in any of the Purchased Entities.

“Equity Raise” shall have the meaning set out in Section 3.2(d)

“Equity Raise Closing” shall mean 180 days after the commencement of the Equity Raise

“Excise Tax Act” means the *Excise Tax Act*, R.S.C., 1985, c. E-15.

“Excluded Assets” means: (a) cash in the bank accounts of Drop as of the Closing Date in the amount of \$150,000 (the **“Excluded Cash”**) and (b) the properties, rights, assets and undertakings of the Purchased Entities listed as “Excluded Assets” on **Schedule “A”** as the same may be modified by the Purchaser no later than the day before the Closing Date in accordance with the terms hereof.

“Excluded Contracts” means those contracts, obligations, and other agreements of the Purchased Entities that are not Retained Contracts and for greater certainty, includes those contracts and agreements which are listed on **Schedule “B”**, as the same may be modified by the Purchaser no later than the day before the Closing Date in accordance with the terms hereof.

“Excluded Liabilities” has the meaning set out in Section 2.3.

“Existing Equity” means: (a) the Drop Shares issued and outstanding immediately prior to the Closing Time; and (b) any other Equity Interests of any nature or kind of the Purchased Entities, whether voting or non-voting, whether preferred, common or otherwise, whether convertible or otherwise, including any Contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including

stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with any such equity interests; provided, however, that Existing Equity shall not include the Purchased Shares or the shares of DTH owned by Drop.

“Financing Payment” shall mean the amount payable to the Receiver within 15 days of the Equity Raise Closing, such amount shall be equal to a payment of [REDACTED];

“Governmental Authority” means any domestic or foreign government, whether federal, provincial, state, territorial, municipal or supra-national; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“GST/HST” means all goods and services tax and harmonized sales tax imposed under the Sales Tax Legislation.

“Implementation Steps” means the transactions, acts and events described in Exhibit “A” as the same may be modified in accordance with Section 6.2 and the Approval and Reverse Vesting Order, which are to occur in the sequence described therein.

“Income Tax Act” means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

“Intellectual Property” means all intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of any of the foregoing, however arising, under the Applicable Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all:

- (a) trade-marks, service marks, trade names, brand names, logos, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications and renewals for, any of the foregoing;
- (b) all business names, corporate names, telephone numbers and other communication addresses owned or used by the Purchased Entities;
- (c) internet domain names, whether or not trade-marks, registered in any top-level domain by any authorized private registrar or Governmental Authority, web addresses, web pages, websites and related content, accounts with X®, Facebook® and other social media companies and the content found thereon and related thereto, and URLs;
- (d) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer and moral rights, and all registrations, applications for registration and renewals of such copyrights;
- (e) all industrial designs and applications for registration of industrial designs and industrial design rights, design patents and industrial design registrations owned or used by the Purchased Entities;

- (f) inventions, discoveries, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein;
- (g) patents (including all patent registrations, reissues, divisional applications or analogous rights, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications and other patent rights and any other Governmental Authority issued indicia of invention ownership (including inventor's certificates and patent utility models);
- (h) Software; and
- (i) the intellectual property described at Schedule "G" hereto;

"Interim Period" means the period from the Effective Date to the Closing Time.

"Legal Proceeding" means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave to appeal or review.

"Liability" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"Loan Agreement" has the meaning set out in the recitals hereto.

"NBC" means National Bank of Canada.

"Organizational Documents" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"Outside Date" means 11:59 pm (Toronto time) thirty days after the granting of the Approval and Reverse Vesting Order, or such later date and time as the Parties may agree to in writing, each acting reasonably.

"Parent" means Edg3 AI, Inc., a Delaware corporation.

"Parties" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **"Parties"** means more than one of them.

"Permits and Licenses" means the permits, licenses, authorizations, approvals or other evidence of authority related to the Business.

"Permitted Encumbrances" means those Encumbrances related to the Retained Assets as set out in **Schedule "C"**, as the same may be modified by the Purchaser prior to the service of materials for the sale approval hearing.

“Person” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

“Pre-Closing Collected Receivables Amount” means the amount of accounts receivable actually collected by Drop during the period from December 3, 2025 and the Closing Date.

“Purchase Price” has the meaning set out in Section 3.1.

“Purchased Entities” means Drop and DTH unless the Purchaser elects to designate the assets and shares of one or more entity as an Excluded Asset pursuant to the terms of this Agreement.

“Purchased Shares” has the meaning set out in Section 2.1.

“Purchaser” has the meaning set out in the recitals hereto.

“Receiver” has the meaning set out in the recitals hereto.

“Receivership Proceedings” means the receivership proceedings commenced by National Bank of Canada under subsections 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c.43, as amended with file number CV-25-00749775-00CL.

“ResidualCo” means one or more corporations to be incorporated in advance of the Closing Date by the Receiver, to which the Excluded Assets and Excluded Liabilities will be transferred pursuant to the Approval and Reverse Vesting Order and in accordance with the Implementation Steps, and which shall have no issued and outstanding shares.

“Retained Assets” has the meaning set out in Section 2.2.

“Retained Contracts” means the Contracts listed in **Schedule “D”** as the same may be modified by the Purchaser no later than the day before the Closing Date in accordance with the terms hereof (and including as such Retained Contracts may be amended, restated, supplemented or otherwise modified from time to time).

“Retained Liabilities” means: (a) Liabilities specifically and expressly designated by the Purchaser as Retained Liabilities in **Schedule “E”** as the same may be modified by the Purchaser no later than the day before the Closing Date, provided that consent of the Receiver is required for the removal of any Retained Liabilities in accordance with the terms hereof; and (b) all Liabilities which relate to the Permits and Licenses and the Business under any Retained Contracts, solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.

“Sales Tax Legislation” means Part IX of the *Excise Tax Act*.

“Software” means computer programs, operating systems, applications, interfaces, applets, software scripts, macros, firmware, middleware, development tools and other codes, instructions or sets of instructions for computer hardware or software, including

SQL and other query languages, hypertext markup language, wireless markup language, xml and other computer markup languages, in object, source code or other code format.

"Taxes" means, with respect to any Person, all supranational, national, federal, provincial, state local or other taxes, including but not limited to income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, documentary taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, registration charges, land transfer taxes, conveyance fees, security interest filing or recording fees and any other similar or like taxes or charges, transfer taxes and fees, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, or any other Tax arising from, or relating to, or in respect of the consummation of the Transaction, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"Terminated Employees" has the meaning set out in Section 5.8.

"Transaction" means, collectively, all of the transactions contemplated by this Agreement which will take place at Closing in accordance with the Implementation Steps, including the subscription for, and issuance of, the Purchased Shares.

"Wind Down Reserve" means funds sufficient to pay: (a) the professional fees and expenses of the Receiver in order to wind down ResidualCo including, without limitation, costs incurred completing any required or remaining activities to discharge the Receiver, retainer funds for a trustee in bankruptcy for ResidualCo, in an amount not to exceed [REDACTED]; and (b) any amounts ranking in priority to NBC.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term including means "including, without limitation," and such terms as "includes" have similar meanings and the term "third party" means any other Person other than the Receiver, the Debtors, or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

EXHIBITS

Exhibit "A" - Implementation Steps

SCHEDULES

Schedule "A" - Excluded Assets

Schedule "B" - Excluded Contracts

Schedule "C" - Permitted Encumbrances

Schedule "D" - Retained Contracts

Schedule "E" - Retained Liabilities

Schedule "F" - Excluded Liabilities

Schedule "G" - Intellectual Property

Schedule "H" - Equity Raise Term Sheet

The Parties acknowledge that the Exhibit and Schedules are not complete and may be revised in accordance with this Agreement. Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Agreement to Subscribe for and Issue Purchased Shares

- (a) Subject to the terms and conditions of this Agreement, in accordance with the Implementation Steps and effective as of the Closing Time, the Receiver shall cause Drop to issue to the Purchaser, and the Purchaser shall subscribe for and purchase from Drop, free and clear of all Encumbrances (other than Permitted

Encumbrances), 1,000 newly-issued common shares of Drop (the “**Purchased Shares**”).

- (b) Pursuant to the Approval and Reverse Vesting Order and the Articles of Reorganization, and in accordance with the Implementation Steps, all of the Existing Equity shall be cancelled, without consideration, and the Purchased Shares issued to the Purchaser shall represent 100% of the issued and outstanding Equity Interests of Drop following the cancellation of the Existing Equity and issuance of the Purchased Shares.
- (c) For the avoidance of doubt, upon the Closing, following the cancellation of the Existing Equity and the completion of the Implementation Steps, all of the shares of the Purchased Entities shall be wholly owned, directly or indirectly, by the Purchaser.

2.2 Retained Assets

At Closing, each of the Purchased Entities shall retain all of the assets owned by it on the Effective Date and any assets acquired by it up to and including Closing, including, without limitation, the issued and outstanding shares in the capital of each of DTH, Intellectual Property, equipment, Retained Contracts, Permits and Licenses, Books and Records, Business, Tax losses, undertakings, any excise deposit held by Canada Revenue Agency, accounts receivables, and cash in the bank account at Closing, if any (collectively, the “**Retained Assets**”). The Retained Assets shall not include: (a) the Excluded Assets; or (b) the Excluded Contracts; which shall be transferred to ResidualCo, in accordance with the Implementation Steps, and the same shall be vested in ResidualCo pursuant to the Approval and Reverse Vesting Order. The Purchaser shall retain the right to designate assets as Retained Assets or Excluded Assets and/or to exclude an entity from the definition of Purchased Entities up to the day prior to Closing by giving notice in writing to the Receiver.

In accordance with the Implementation Steps and the Approval and Reverse Vesting Order, the Excluded Assets shall be transferred to, vested in and assumed by ResidualCo.

2.3 Excluded Liabilities, Transfer of Excluded Liabilities to ResidualCo

- (a) Pursuant to the Approval and Reverse Vesting Order, save and except for the Retained Liabilities, all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, Excluded Contracts, Taxes, including any Taxes arising in connection with any transfer to ResidualCo, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Purchased Entities or the Purchased Shares or against, relating to or affecting any of the Retained Assets including the non-exhaustive list of Liabilities, as set forth in **Schedule “F”**, (collectively, the “**Excluded Liabilities**”), shall be excluded and will no longer be binding on the Purchased Entities, the Purchased Shares (or the holders thereof), the Retained Assets, Employees, Intellectual Property or Permits and Licenses following the Closing Time.
- (b) Subject to the Implementation Steps and pursuant to the Approval and Reverse Vesting Order, the Excluded Liabilities shall be transferred to, vested in and

assumed in full by ResidualCo in accordance with and as further described in Article 4 and the Purchased Entities, the Purchased Shares, the Retained Assets and the Purchased Entities' undertakings, Business and properties shall be Discharged of such Excluded Liabilities. All Claims in connection with the Excluded Liabilities, if any, shall continue to exist solely against ResidualCo and the Excluded Assets, if any, shall be available to satisfy such Claims. Notwithstanding any other provision of this Agreement, the Purchaser and the Purchased Entities shall not assume and shall have no liability for any of the Excluded Liabilities and all Excluded Liabilities shall be fully and finally Discharged from the Purchased Entities, the Purchased Shares and the Retained Assets at the Closing Time.

2.4 Receiver's Capacity

The Purchaser acknowledges and agrees that, except as set out in this Agreement, the Receiver will have no liability in connection with this Agreement whatsoever in its capacity as Receiver, in its personal or corporate capacity, or otherwise except to the extent that any loss, damages, claims or liabilities arise from or are related to the gross negligence of the Receiver. The provisions of this Section 2.4 shall not merge on, but shall survive, Closing.

ARTICLE 3 PURCHASE PRICE

3.1 Deposit

- (a) As a deposit for the Purchase Price, the Purchaser paid to the Receiver, in trust, the Deposit, which is being held in escrow by the Receiver.
- (b) The Deposit plus all accrued interest, if any, thereon shall, at the Closing Date, be credited towards the Purchase Price and reduce the amount of the Purchase Price payable by the Purchaser at Closing. If this Agreement is terminated, the Deposit will be dealt with in accordance with Section 8.1.

3.2 Purchase Price

The aggregate purchase price for the Purchased Shares shall be the Retained Liabilities plus the following amounts (in the aggregate, the "**Purchase Price**"), plus applicable taxes:

- (a) the Deposit;
- (b) cash on Closing in the amount equal to [REDACTED] (the "**Closing Payment**");
- (c) the retention by the Purchased Entities of the Retained Liabilities;
- (d) the Financing Payment to be payable to Receiver within 15 days of the closing of the financing round (the "**Equity Raise**") with the terms substantially set out in the term sheet attached as Schedule "H" hereto and in accordance with the terms hereof, provided that such Equity Raise shall be carried out on a commercially reasonable efforts basis by the Purchaser and Parent;
- (e) if applicable, the Collected Receivable Payments and the Uncollected Receivables Payment (as each are defined below);
- (f) in respect of each Terminated Employee up to \$2,000, subject to an aggregate cap of [REDACTED];

- (g) the Excluded Cash; and
- (h) the Pre-Closing Collected Receivables Amount.

3.3 Payment of Purchase Price

The payment of the Purchase Price should be satisfied as follows:

- (a) on the Closing Date, the Receiver will release the Deposit from escrow and the Purchaser shall pay the Closing Payment to the Receiver in accordance with the Implementation Steps (set out in Exhibit "A");
- (b) on the Closing Date, the Excluded Cash shall be paid to the Receiver on behalf of ResidualCo;
- (c) within 15 Business Days from the end of the first Collection Period, the Pre-Closing Collected Receivables Amount shall be paid to the Receiver on behalf of ResidualCo;
- (d) following 15 days of the Equity Raise Closing, the Purchaser shall pay the Financing Payment to the Receiver; and
- (e) if applicable, the Purchaser shall pay the Collected Receivable Payments and the Uncollected Receivables Payment in accordance with Section 3.5;

3.4 Equity Raise

- (a) The Purchaser covenants that the Equity Raise will commence within 45 days of the Closing Date.
- (b) The Purchaser covenants that it shall exercise its commercially reasonable efforts to fully maximize the quantum of the funds raised in the Equity Raise so as to best serve the Purchased Entities' liquidity needs.
- (c) The Purchaser covenants that any amounts received in respect of the Financing Payment in the Equity Raise shall be held in a separate account and not intermingled with the Purchaser's, Parent's, or Purchased Entities' funds.

3.5 Collected Receivable Payments

- (a) Purchaser shall use its commercially reasonable efforts to collect accounts receivables of Drop that remain outstanding on the Closing Date (the "**Closing Date Receivables**") during the Collection Periods.
- (b) For the purpose of determining the amount of the Closing Date Receivables collected by Purchaser: (i) each payment by an account debtor will be applied to the older or oldest Closing Date Receivable; and (ii) any credit made or granted by Purchaser to an account debtor that reduces the balance owed under a Closing Date Receivable shall be deemed a collection of such Closing Date Receivable in the amount of the credit.
- (c) On a bi-weekly basis following Closing, the Purchaser will provide the Receiver with a detailed list of all collections of Closing Date Receivables and an updated Closing Date Receivable listing.

- (d) Within 15 Business Days after each Collection Period, the Purchaser shall pay to the Receiver the amount of any Closing Date Receivables actually collected by the Purchaser during such Collection Period (the “**Collected Receivable Payments**”), provided that the aggregate total amount payable by the Purchaser to the Receiver pursuant to this Section 3.5 shall not exceed [REDACTED] less the Pre-Closing Collected Receivables Amount and any amount of Closing Date Receivables collected by the Purchaser during the Collection Periods in excess of [REDACTED] less the Pre-Closing Collected Receivables Amount shall be for the account of the Purchaser and Purchaser shall have no liability to the Receiver, ResidualCo, or any other party in respect of any of such excess.
- (e) The Purchaser covenants that any Collected Receivable Payments shall be held in a separate escrow account for the benefit of the Receiver, pending payment to the Receiver pursuant to Section 3.5(d);
- (f) If the total amount of Closing Date Receivables actually collected by the Purchaser during the Collection Periods together with the Pre-Closing Collected Receivables Amount is less than [REDACTED], the Purchaser shall, within 15 days of the end of the last Collection Period, pay to Receiver the difference between [REDACTED] and the amount of Closing Date Receivables actually collected by the Purchaser during the Collection Periods and the Pre-Closing Collected Receivables Amount (the “**Uncollected Receivables Payment**”).
- (g) To the extent that any amounts are paid by the Receiver out of the ordinary course of business and without the Purchaser’s consent between December 3, 2025 and the Closing Date (an “**Extraordinary Payment**”), the reference to [REDACTED] in Section 3.5(d) shall be reduced by the amount of the Extraordinary Payment, and the reference to to [REDACTED] in Section 3.5(f) shall also be reduced by the amount of the Extraordinary Payment.

3.6 Tax Matters

Pursuant to the Implementation Steps and the Approval and Reverse Vesting Order, at the Closing Time:

- (a) all Taxes owed or owing or accrued due by the Purchased Entities in respect of the period prior to the Closing Time shall be transferred to, vested in and assumed by ResidualCo, including any Taxes related to debt forgiveness arising from or in connection with the consummation of the Transaction and the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo; and
- (b) any and all obligations and Liabilities arising from any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to the Closing Date, regardless of when such audit was commenced or completed, shall be transferred to and vest in ResidualCo,

provided, however, the foregoing shall not relieve the Purchaser from Liability for Taxes arising during and in respect of the period from and after the Closing Time and relating to Retained Liabilities or arising from audits or reassessments that relate to Retained Liabilities.

Notwithstanding the foregoing or anything to the contrary contained in this Agreement, the Purchase Price is exclusive of GST/HST, and the Purchaser shall be responsible for the payment, on Closing, of any GST/HST required to be paid or remitted in connection with the purchase of

the Purchased Shares. The Purchaser shall have no liability for any Taxes arising from the transfer of any assets to ResidualCo and any such Taxes shall be Excluded Liabilities.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Receiver

The Receiver hereby represents and warrants as of the Effective Date and as of the Closing Time as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing their obligations hereunder:

- (a) **Receiver's Capacity.** Subject to the granting of the Approval and Reverse Vesting Order and the Appointment Order, this Agreement has been duly executed and delivered by the Receiver and constitutes a legal, valid and binding obligation of the Receiver. Subject to the granting of the Approval and Reverse Vesting Order, the Receiver has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) **Residency.** The Receiver is not a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.
- (c) **No Other Agreements to Purchase.** Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition of any of the Purchased Shares or the Retained Assets that would not be an Excluded Contract or Excluded Liability.
- (d) **Consents.** Except for the Approval and Reverse Vesting Order, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Receiver, and each of the agreements to be executed and delivered by the Receiver hereunder.
- (e) **Proceedings.** There are no Legal Proceedings pending against any of the Purchased Entities, or, to the knowledge of the Receiver, threatened with respect to, or in any manner affecting, title to the Purchased Shares or the Retained Assets in each case, which would reasonably be expected to (i) enjoin, delay, restrict or prohibit the issuance of all or any part of the Purchased Shares as contemplated by this Agreement or (ii) delay, restrict or prevent the Receiver from fulfilling any of its obligations set out in this Agreement.
- (f) **Title to Purchased Shares and Retained Assets.** Subject to the issuance of the Approval and Reverse Vesting Order, the Purchased Shares shall be issued as fully paid and non-assessable and registered in the name of the Purchaser.

4.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to and in favour of the Receiver as of the Effective Date and as of the Closing Time as follows, and acknowledges that the Receiver is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) **Incorporation and Status.** The Purchaser is a corporation incorporated and existing under the laws of the Delaware, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) **Corporate Authorization.** The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) **No Conflict.** The execution, delivery and performance by the Purchaser of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser or, to the knowledge of the Purchaser, any Applicable Law.
- (d) **Proceedings.** There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (e) **No Consents or Authorizations.** Subject only to obtaining the Approval and Reverse Vesting Order, the Purchaser does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any other Person as a condition to the lawful completion of the Transaction.
- (f) **Investment Canada Act.** The Purchaser is a “Canadian” or a “WTO Investor” within the meaning of the *Investment Canada Act*, and the regulations thereunder.
- (g) **Financial Ability.** The Purchaser will have, as of the Closing Date, (i) sufficient funds available for purposes of satisfying the Purchase Price, and (ii) the resources and capabilities (financial or otherwise) to perform its obligations under this Agreement. The Purchaser has not, as of the date hereof, and will not have, as of the Closing Time, incurred any liability that would materially impair or adversely affect such resources and capabilities.

4.3 As is, Where is

The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Shares shall be sold and delivered to the Purchaser on an “as is, where is” basis, subject only to the representations and warranties contained herein, none of which shall survive the Closing. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever. For greater certainty, the Retained Assets and Retained Liabilities shall be retained by the Purchased Entities on an “as is, where is” basis, and no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever.

ARTICLE 5 COVENANTS

5.1 Closing Date

- (a) The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.
- (b) Without limiting the foregoing, the Parties shall assist with submissions, share information and make any other efforts required to obtain any approval or Permits and Licenses from any Governmental Authority, including the Approval and Reverse Vesting Order, necessary to effect the Closing.
- (c) Each of the Parties shall, as promptly as possible, make, or cause to be made, all filings and submissions, as applicable, required under any Applicable Law to effect the Closing.

5.2 Court Approval

KSV Restructuring Inc., as proposed Receiver, shall have served on the service list maintained in the Receivership Proceedings and on such other Persons as may be requested by the Purchaser and file with the Court a motion for the issuance of the Approval and Reverse Vesting Order.

5.3 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Appointment Order, Approval and Reverse Vesting Order and the Implementation Steps) or any order granted by the Court in the Receivership Proceedings, the Receiver shall retain Drop's management to continue to maintain the operations of the Debtors and Retained Assets, in substantially the same manner as conducted on the Effective Date and in material compliance with all Applicable Laws and Permits and Licenses, all of which shall be funded from cash in the Drop's accounts and from no other source, provided that Drop retains at least \$150,000 in cash during this period, as cash in this amount constitutes an Excluded Asset as defined in this Agreement.

5.4 Exclusivity

From the Effective Date and ending on the earlier of (a) the Closing and (b) the termination of this Agreement, the Receiver shall not, and shall direct its representatives and Affiliates not to, directly or indirectly, (i) solicit, negotiate with, provide any nonpublic information regarding the Purchased Entities' Business, or enter into any contract with, or in any manner knowingly encourage, any proposal of, any person (other than the Purchaser and its Affiliates) relating to a potential acquisition of all or substantially all of the Equity Interests or assets of the Purchased Entities, whether by amalgamation, sale of shares, sale of assets, business combination or otherwise (an "**Alternative Transaction**"), (ii) enter into any agreement regarding, continue or otherwise participate in any discussions regarding, or furnish to any person any information with respect to, or cooperate in any way that would otherwise reasonably be expected to lead to, any Alternative Transaction or (iii) commence, continue or renew any due diligence investigation regarding any Alternative Transaction. The Receiver shall, and shall direct its representatives and Affiliates to, immediately cease any and all existing discussions or negotiations with any person conducted heretofore with respect to any Alternative Transaction. If the Receiver or the Debtors or any of their representatives receives any inquiry or proposal with respect to an Alternative Transaction at any time prior to the Closing, then the Receiver shall promptly (and in no event later than one

Business Day after the Receiver becomes aware of such inquiry or proposal) notify such person in writing that the Receiver is subject to an exclusivity agreement with respect to the sale of the Purchased Entities that prohibits it from considering such inquiry or proposal, and will provide the Purchaser with a copy of any such written inquiry or proposal or a detailed summary of any such verbal inquiry or proposal.

5.5 Access During Interim Period

During the Interim Period, to the extent management of Drop cooperates with the Receiver, the Receiver shall give, or cause to be given, to the Purchaser, and its representatives, access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser deems necessary or desirable to further familiarize itself with the Business and the Retained Assets. Without limiting the generality of the foregoing, the Purchaser and its representatives shall be permitted access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with operations of the Purchased Entities and the Receiver shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser. Should the Agreement be terminated pursuant to Article 8 and the transaction contemplated by this Agreement does not close, the Purchaser shall, upon request, delete or destroy any information and records obtained by the Purchaser during the Interim Period. Notwithstanding the foregoing, the Purchaser may retain any copies of such information, regardless of whether such copies are in original form: (a) included in any materials that document a decision not to proceed with a transaction or to otherwise terminate this Agreement; (b) as may be required to comply with any Applicable Laws, or (c) that are maintained as archive copies of the Purchaser's disaster recovery or information technology backup systems.

5.6 Insurance Matters

During the Interim Period, the Receiver shall keep in full force and effect all insurance policies existing on the Effective Date, and give any notice or present any claim under any such insurance policies consistent with past practice in the ordinary course of Business, all of which shall be funded from cash in the Drop's accounts and from no other source, provided that Drop retains at least \$150,000 in cash during this period, as cash in this amount constitutes an Excluded Asset as defined in this Agreement.

5.7 Regulatory Approvals and Consents

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transaction; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transaction; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transaction required under any Applicable Law.
- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 5.7.

5.8 Employee Matters

On the date that is two (2) days prior to the Closing Date, the Purchaser shall identify all Employees of the Purchased Entities that the Purchaser does not wish to continue to employ after the completion of the Transaction (the **"Terminated Employees"**). The Receiver shall, in accordance with the Implementation Steps, terminate the employment of the Terminated Employees, as requested by the Purchaser in its sole discretion, and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of or damages in lieu of statutory notice, termination payments, severance, wages and vacation pay, benefits, bonuses or other compensation or entitlements (collectively, the **"Employee Termination Costs"**) shall be Excluded Liabilities and shall be transferred to and assumed by ResidualCo pursuant to the Approval and Reverse Vesting Order.

5.9 Change of Name

As soon as reasonably possible after Closing, the Receiver shall cause the title of proceedings in the Receivership Proceedings to be changed to exclude any mention of the name "Drop", through the Approval and Reverse Vesting Order or as otherwise appropriate.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing

Closing shall take place on the Closing Date, effective as of the Closing Time, electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format, in accordance with the Implementation Steps.

6.2 Implementation Steps

On the Closing Date, subject to the terms of the Appointment Order and the Approval and Reverse Vesting Order, Closing shall take place in accordance with the Implementation Steps. The Purchaser may, prior to the Closing, amend the Implementation Steps provided that such

amendment does not materially alter or impact the Transaction or the consideration provided as part of the Transaction.

6.3 Closing Deliveries of the Receiver

At or before the Closing Time, the Receiver shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true copy of the Appointment Order and the Approval and Reverse Vesting Order, each as issued by the Court;
- (b) evidence of the completion of the Implementation Steps, including: (i) confirmation of the due incorporation and organization of ResidualCo; and (ii) evidence of the filing of the Articles of Reorganization, as set out in Section 2.1;
- (c) a share certificate representing the Purchased Shares in the name of the Purchaser;
- (d) a certificate, dated as of the Closing Date, confirming that all of the representations and warranties contained in this Agreement are true in all material respects as of the Closing Time and that the Receiver has performed in all material respects the covenants to be performed by it prior to the Closing Time;
- (e) the Organizational Documents of the Purchased Entities, and their corporate Books and Records;
- (f) an executed Closing Certificate; and
- (g) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

6.4 Closing Deliveries of the Purchaser

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Receiver, the following:

- (a) the Closing Payment and, if applicable, the Financing Payment, in accordance with Section 3.3;
- (b) certificates of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by them prior to the Closing Time; and
- (c) such other agreements, documents and instruments as may be reasonably required by the Receiver to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 7 CONDITIONS OF CLOSING

7.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following conditions being satisfied on or prior to the Closing Date:

- (a) **Appointment Order.** The Court shall have issued and entered the Appointment Order, which Appointment Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) **Approval and Reverse Vesting Order.** The Court shall have issued and entered the Approval and Reverse Vesting Order, which Approval and Reverse Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (c) **Approvals.** All necessary consents, approvals, exemptions and authorizations of governmental bodies, lessors and other third parties shall have been obtained.
- (d) **No Order.** No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise be in effect that restrains or prohibits the completion of the Transaction.
- (e) **No Restraint.** No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction.

The foregoing conditions are for the mutual benefit of the Parties and may be waived by the Purchaser and the Receiver, in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser or the Receiver only if made in writing; provided that if the Purchaser or the Receiver do not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchaser or Receiver, as the case may be. If any condition set out in Section 7.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

7.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, on or prior to the Closing Date:

- (a) **Implementation Steps.** The Implementation Steps shall have been completed in the order and in the timeframes contemplated hereunder.
- (b) **Deliverables of the Receiver.** The Receiver shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 6.3.

- (c) **No Breach of Representations and Warranties.** Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Appointment Order and the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (d) **No Breach of Covenants.** The Receiver shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by it on or before the Closing Date.
- (e) **Employees.** The Receiver shall have terminated the employment of the Terminated Employees.
- (f) **Partial Termination of Receivership Proceeding.** Upon Closing, the Receivership Proceedings shall have been terminated in respect of the Purchased Entities and the Retained Assets, as set out in the Approval and Reverse Vesting Order, but, for greater certainty, shall continue in respect of ResidualCo.
- (g) **Exclusion of Excluded Contracts.** The Receiver shall have assigned all known Excluded Contracts and other agreements, and all Excluded Liabilities, to ResidualCo, and such known Excluded Contracts, and all Excluded Liabilities, shall form part of the Excluded Assets.
- (h) **Pre-Closing Collected Receivables Amount.** The Receiver and Purchaser shall have agreed to the amount of the Pre-Closing Collected Receivables Amount.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 7.2 may be waived by the Purchaser in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 7.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Receiver to terminate this Agreement.

7.3 Conditions Precedent in favour of the Receiver

The obligation of the Receiver to complete the Transaction is subject to the following conditions being satisfied on or prior to the Closing Date:

- (a) **Deliverables of the Purchaser.** The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Receiver at the Closing all the documents and payments contemplated in Section 6.4.
- (b) **No Breach of Representations and Warranties.** Each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) **No Breach of Covenants.** The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

- (d) **Purchase Price.** The Purchaser shall have delivered or caused to be delivered to the Receiver the Purchase Price in accordance with Section 3.2.

The foregoing conditions are for the exclusive benefit of the Receiver. Any condition in this Section 7.3 may be waived by the Receiver in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Receiver only if made in writing. If any condition set out in this Section 7.3 is not satisfied or performed on or prior to the Outside Date, the Receiver may elect on written notice to the Purchaser to terminate this Agreement.

7.4 Simultaneous Transactions

All actions taken and transactions consummated at the Closing shall be deemed to have occurred in the manner and sequence set out in the Implementation Steps and the Approval and Reverse Vesting Order (subject to the terms of any escrow agreement or arrangement among the Parties relating to the Closing), and no such transaction shall be considered consummated unless all are consummated.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

- (a) This Agreement may be terminated on or prior to the Closing Date:
- (i) by the mutual written agreement of the Receiver and the Purchaser;
 - (ii) by the Receiver or the Purchaser upon notice to the other Party if the Court declines at any time to grant the Approval and Reverse Vesting Order, provided that the reason for the Approval and Reverse Vesting Order not being approved by the Court is not due to any act, omission, or breach of this Agreement by the Party proposing to terminate this Agreement;
 - (iii) by the Receiver or the Purchaser if there has been a material violation or breach by the other Party of any agreement, covenant, representation or warranty of such Party in this Agreement which would prevent the satisfaction of, or compliance with, any condition set out in Article 7 by the Outside Date, and such violation or breach has not been waived by the non-breaching Party or cured within five (5) Business Days after written notice thereof from the non-breaching Party to the breaching Party; or
 - (iv) by the Receiver or the Purchaser upon written notice to the other Parties if the Closing has not occurred on or prior to the Outside Date; provided that the failure to close by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement.
- (b) In the event that this Agreement is terminated, the Deposit and all interest accrued thereon shall be immediately returned to the Purchaser and the Receiver shall so release the Deposit to the Purchaser.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder except in relation to the Deposit as specified in Section 8.1(b) above.

ARTICLE 9 GENERAL

9.1 Access to Books and Records

For a period of six years from the Closing Date or for such longer period as may be required to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Purchaser shall make such Books and Records, as well as electronic copies of such Books and Records (to the extent such electronic copies exist), available to the Debtors and the Receiver (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Debtors) at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser. The Purchaser shall use commercially reasonable efforts to cause the Purchased Entities, or any Person buying all or substantially all of the Purchased Entities' shares or assets, to agree to provide the Debtors and the Receiver with substantially the same rights as set out herein.

9.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

- (a) in the case of the Purchaser, as follows:

Drop Acquisition, Inc.

251 Little Falls Drive
Wilmington
CT
19808 USA

Attention: John Frankel / Alex Katz / Onsi Sawiris

Email: john@ffvc.com / alex@ffvc.com / osawiris@hofcapital.com

with a copy to:

Cassels Brock & Blackwell LLP

Suite 3200, Bay Adelaide Centre- North Tower
40 Temperance St.
Toronto, ON M5H 0B4

Attention: Jonathan Sherman / Natalie Levine

Email: jsherman@cassels.com / nlevine@cassels.com

- (b) in the case of the Receiver, as follows:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, PO Box 20,
Toronto, Ontario, M5J 2W4

Attention: Bobby Kofman / Eli Brenner
Email: bkofman@ksvadvisory.com / ebrenner@ksvadvisory.com

with a copy to:

Aird & Berlis LLP
Brookfield Place
181 Bay St., Suite 1800
Toronto, Ontario M5J 2T9

Attention: Steven L. Graff
Email: sgraff@airdberlis.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

9.3 Public Announcements

The Receiver shall be entitled to disclose this Agreement to the Court and parties in interest in the Receivership Proceedings, other than any information which the Purchaser advises the Receiver in writing as being confidential, and this Agreement may be posted on the website maintained in connection with the Receivership Proceedings.

Other than as provided in the preceding sentences or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Receiver, the Purchaser or any their respective Affiliates and assignees under Applicable Laws, the Receiver shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

9.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

9.5 Survival

The representations and warranties of the Parties contained in this Agreement shall not merge on Closing and the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

9.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo, provided that no consent, waiver or agreement of ResidualCo shall be required for any amendment of this Agreement.

9.7 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements.

This Agreement may not be amended or modified in any respect except by written instrument executed by the Receiver and the Purchaser.

9.8 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with the Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

9.9 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of Ontario therefrom.

9.10 Assignment

- (a) The Purchaser may assign its rights under this Agreement prior to Closing, in whole or in part, without the prior written consent of the Receiver or ResidualCo, provided that: (i) the Purchaser provides prior notice of such assignment to the Receiver and (ii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.
- (b) Except as specifically contemplated herein as it relates to ResidualCo, this Agreement may not be assigned by the Receiver without the consent of the Purchaser.
- (c) The Purchaser acknowledges that the Receiver, will effect the Transaction on behalf of the Receiver and that the Receiver is authorized to sign documents on behalf of the Receiver pursuant to the Appointment Order.

9.11 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

9.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

9.13 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

9.14 Closing Certificate

When the conditions to Closing set out in Section 7.1, 7.2 and Section 7.3 have been satisfied and/or waived by the Receiver or the Purchaser, as applicable, the Receiver shall: (i) issue forthwith a certificate (the "**Closing Certificate**"), at which time the Implementation Steps will be deemed to have commenced and be completed in the order set out in the Implementation Steps and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Closing Certificate with the Court (and shall provide a true copy of such filed certificate to the Purchaser).

9.15 Amendment and Waiver

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement (including the Schedules hereto) shall be binding unless executed in writing by all Parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

For the Purchaser:

Drop Acquisition Inc.

By: _____

Name:

Title:

I have authority to bind the Corporation.

For the Receiver:

KSV Restructuring Inc., solely in its capacity as Court-appointed receiver and manager of Drop Technologies Inc., a corporation incorporated pursuant to the laws of Canada, and its subsidiary Drop Technologies Holdings ULC, and not in its personal or corporate capacity

By: _____

Name:

Title:

SCHEDULE "A"
EXCLUDED ASSETS

Anything not specifically excluded below is retained.

1. The Excluded Contracts.
2. Any and all shares of or interests in Drop USA held by the Purchased Entities.

SCHEDULE "B"
EXCLUDED CONTRACTS

1. The Loan Agreement and all ancillary or security documents thereto.
2. 2-Seed Subscription Agreement dated August 4, 2017 between Drop Loyalty Inc., and others.
3. Convertible Promissory Note dated August 4, 2017 between Drop Loyalty Inc. and HOF Capital GGI Fund (Cayman), LP.
4. Convertible Note Purchase Agreement dated August 4, 2017 between Drop Loyalty Inc. and HOF Capital GGI Fund (Cayman), LP.
5. Subordination Agreement dated September 14, 2017 between HOF Capital GGI Fund (Cayman), LP and Silicon Valley Bank.
6. Amending Agreement to August 4, 2017 convertible note purchase agreement between Drop Loyalty Inc. and HOF Capital GGI Fund, L.P..
7. Amended and Restated Investors' Rights Agreement dated February 28, 2017 between Drop Loyalty Inc., and others.
8. Amended and Restated Right of First Refusal and Co-Sale dated February 28, 2017 between Drop Loyalty Inc. and others.
9. Amended and Restated Voting Agreement dated February 28, 2017 between Drop Loyalty Inc. and others.
10. Side Letter Agreement (to April 7, 2017 Subscription Agreement) dated April 7, 2017 between Drop Loyalty Inc. and Oakstone Ventures, Inc..
11. Side Letter Agreement (to April 7, 2017 Subscription Agreement) dated April 7, 2017 between Drop Loyalty Inc. and Unincubator Ventures Ltd..
12. Adoption Agreement pursuant to the February 28, 2017 amended and restated right of first refusal and co-sale agreement dated August 4, 2017 between Drop Loyalty Inc. and HOF Capital GGI Fund (Cayman), LP.
13. Consent and waiver agreement related to Series 2 Seed preferred shares dated August 4, 2017 between Drop Loyalty Inc. and ff Sapphire (IV) Venture Capital Fund, LP, WSC III LP, AKIM Inc., Rothenberg Ventures 2015 Fund, LLC, Canada Acceleratorco Inc (D/B/A Highline), Sierra Ventures XI LP, Portage3 Ventures LP, Unicubator Ventures Ltd., A-Day-18-Fund, CRCM Opportunity Fund II, L.P., Oakstone Ventures Inc., Hedgewood Inc..
14. Consent and waiver agreement relating to the Series A-2 preferred shares dated January 5, 2018 between Drop Loyalty Inc. and ff Sapphire (IV) Venture Capital Fund LP, WSC III LP, AKIM Inc., Rothenberg Ventures 2015 Fund, LLC, Canada Acceleratorco Inc. (d/b/a Highline), Sierra Ventures XI LP, Portage3 Ventures LP, Unicubator Ventures Ltd., A-Day-18-Fund, CRCM Opportunity Fund II, L.P., Oakstone Ventures Inc., Hedgewood Inc..
15. Second Amended and Restated Investors' Rights Agreement dated January 5, 2018.

16. Second Amended and Restated Right of First Refusal and Co-Sale Agreement dated January 5, 2018.
17. Second Amended and Restated Voting Agreement dated January 5, 2018.
18. Series A-2 Subscription Agreement dated January 5, 2018.
19. Management Rights Letter dated March 7, 2019 between Drop Technologies and Drop Direct LLC.
20. Series B Subscription Agreement dated March 7, 2019.
21. Third Amended and Restated Investors' Rights Agreement dated March 7, 2019.
22. Third Amended and Restated Right of First Refusal and Co-Sale Agreement dated March 7, 2019.
23. Third Amended and Restated Voting Agreement dated March 7, 2019.
24. Amending Agreement to the March 7, 2019 Series B Subscription Agreement dated August 22, 2019.
25. Second Amending Agreement to the March 7, 2019 Series B Subscription Agreement dated March 30, 2020
26. all funding-related side letters in connection with any funding equity, SAFE or convertible debenture funding rounds.
27. Series C preferred shares subscription agreement dated July 30 2021.
28. Fourth Amended and Restated Investors' Rights Agreement dated July 30, 2021.
29. Fourth Amended and Restated Right of First Refusal and Co-Sale Agreement dated July 30, 2021.
30. Fourth Amended and Restated Voting Agreement dated July 30, 2021.
31. All Series, Angel, or seed round fundraising, subscription agreements, rights of first refusal and co-sale agreements.
32. Series C Subscription Agreement dated July 30, 2021 and as amended from time to time.
33. Convertible promissory note dated June 22, 2023 between Drop Technologies Inc. and Drop Direct, LLC.
34. Consent Agreement dated June 22, 2023 between Drop Technologies Inc. and Silicon Valley Bank.
35. Convertible Note Purchase Agreement dated June 22, 2023 between Drop Technologies Inc. and others.
36. Consent and Waiver dated June 22, 2023 between Drop Technologies Inc. and New Enterprise Associates 16, L.P., Kensington Venture Fund II, L.P., Kensington (Parallel) Venture Fund II, L.P., HOF Capital Growth Opportunity X, LLC, Drop Direct, LLC, Synchrony Financial, Royal Bank of Canada.

37. Subordination Agreement dated June 22, 2023 between Drop Technologies Inc., Drop Technologies USA, Inc. Drop Technologies Holdings ULC, Drop Direct LLC, and Silicon Valley Bank.
38. Second Amended and Restated Side Letter Agreement (to the March 7, 2019 Subscription Agreement) dated June 7, 2024 between Royal Bank of Canada, RBC Capital Partners, and Drop Technologies Inc..
39. Side Letter Agreements to the June 7, 2024 Convertible Note Purchase Agreement dated June 7, 2024 between Drop Technologies Inc. and New Enterprise Associates 16, L.P., Drop Direct, LLC, Kensington Private Equity Fund, Sierra Ventures XI, L.P., ff Sapphire Opportunity Fund II, LLC.
40. Amending Agreement to 2023 Convertible Promissory Note dated June 7, 2024 between Drop Technologies Inc., IHeart Media + Entertainment, Inc. and Broader Media Holdings, LLC.
41. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, Drop Direct LLC and Silicon Valley Bank dated June 22, 2023.
42. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, Drop Direct LLC and National Bank of Canada dated June 7, 2024.
43. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, New Enterprise Associates 16, LP and National Bank of Canada dated June 7, 2024
44. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, Kensington Private Equity Fund and National Bank of Canada dated June 7, 2024.
45. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, Kensington Private Equity Fund II LP and National Bank of Canada dated June 7, 2024;
46. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, Kensington (Parallel) Venture Fund II, L.P. and National Bank of Canada dated June 7, 2024
47. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, Royal Bank of Canada and National Bank of Canada dated June 7, 2024.
48. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, Sierra Ventures XI, L.P. and National Bank of Canada dated June 7, 2024.
49. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, ff Sapphire Opportunity Fund II, LLC and National Bank of Canada dated June 7, 2024

50. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, Rogue Insight Capital Ltd and National Bank of Canada dated June 7, 2024.
51. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, Synchrony Financial and National Bank of Canada dated June 7, 2024.
52. Subordination Agreement by and between Drop Technologies Inc., Drop Technologies USA Inc., Drop Technologies Holdings ULC, Broader Media Holdings, LLC and National Bank of Canada dated June 7, 2024.
53. Amending agreement to the 2023 Convertible Promissory Notes dated June 7, 2024 between Drop Technologies Inc. and Drop Direct, LLC, Kensington Venture Fund II, L.P., Kensington (Parallel) Venture Fund II, L.P., New Enterprise Associates 16, L.P., Rogue Insight Capital Ltd., Royal Bank of Canada, Synchrony Financial.
54. Convertible Note Purchase Agreement dated June 7, 2024 between Drop Technologies Inc. and Drop Direct, LLC, New Enterprise Associates 16, LP, Kensington Private Equity Fund, Sierra Ventures XI, L.P. and ff Sapphire Opportunity Fund II, LLC.
55. Secured convertible promissory note dated June 7, 2024 between Drop Technologies Inc. and Drop Direct, LLC.
56. Secured convertible promissory note dated June 7, 2024 between Drop Technologies Inc. and Sierra Ventures XI, L.P.
57. Secured convertible promissory note dated June 7, 2024 between Drop Technologies Inc. and Kensington Private Equity Fund.
58. Secured convertible promissory note dated June 7, 2024 between Drop Technologies Inc. and New Enterprise Associates 16, LP.
59. Secured convertible promissory note dated June 7, 2024 between Drop Technologies Inc. and Sierra Ventures XI, L.P..
60. Secured convertible promissory note dated June 7, 2024 between Drop Technologies Inc. and ff Sapphire Opportunity Fund II, LLC.
61. Any secured notes and related security and ancillary documentation between Drop Technologies Inc. and any one or any group of Drop Direct, LLC, Kensington Venture Fund II, L.P., Kensington (Parallel) Venture Fund II, L.P., New Enterprise Associates 16, L.P., Sierra Ventures XI, L.P., ff Sapphire Opportunity Fund II, LLC, Mare Nostrum Capital LLC, BSQ Capital Limited, Rogue Insight Capital Ltd., Royal Bank of Canada, or Synchrony Financial.
62. Intercreditor Agreement dated June 7, 2024 between Drop Technologies Inc. and certain lenders.
63. All Warrants issued under Drop's Non-Voting Common Shares Stock Warrants programme or any similar warrant issuance.
64. All convertible debt instruments with New Enterprises Associates 16 LP.
65. All convertible debt instruments with Drop Direct LLC.

66. All convertible debt instruments with Rogue Insight Capital LTD.
67. All convertible debt instruments with Kensington Private Equity.
68. All convertible debt instruments with Kensington Venture Fund II LP.
69. All convertible debt instruments with Royal Bank of Canada.
70. All convertible debt instruments with Synchrony Financial.
71. All convertible debt instruments with iHeart Media.
72. All Options and Restricted Stock Units issued under any agreements or Equity Incentive Plans.
73. All security and ancillary documents related to any of the above.
74. Any services or vendor agreements with any party giving rise to an Excluded Liability.
75. Any shareholder agreements of the Purchased Entities.
76. All convertible debt instruments between Drop Technologies Inc. and any other party.
77. All simple agreements for future equity between Drop Technologies Inc. and others.
78. Intellectual Property Security Agreement dated May 28, 2024.
79. Any ancillary or associated documentation or security documents pursuant to any of the contracts specified in this schedule.
80. Office lease agreement dated on or about May 30, 2018 between Drop Technologies Inc. and Downing Street (120 Front East) Inc.

SCHEDULE "C"
PERMITTED ENCUMBRANCES

SCHEDULE "D"
RETAINED CONTRACTS

1. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] [REDACTED] dated from January 2025 to December 2025.
2. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated December 22, 2023.
3. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated from January 2025 to December 2025.
4. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] [REDACTED] dated from January 2025 to December 2025.
5. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] [REDACTED] dated from July 2025 to December 2025.
6. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] [REDACTED] dated from January 2025 to December 2025.
7. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated from September 2025 to December 2025.
8. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated from July 2025 to December 2025.
9. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated from January 2025 to December 2025.
10. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated from January 2025 to December 2025.
11. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated from January 2025 to December 2025.
12. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated from January 2025 to December 2025.
13. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] [REDACTED] dated from January to June 2025.
14. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated from January to June 2025.
15. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] [REDACTED] dated from January 2025 to December 2025.
16. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated from April to December 2025.
17. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] [REDACTED] dated from January to December 2025.
18. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated from January to December 2025.

19. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated April 2025.
20. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated January to October 2025.
21. Any insertion orders from Drop Technologies Inc. to provide services to [REDACTED] dated January to October 2025.
22. Master Services Agreement between Drop Technologies Inc. and [REDACTED] dated October 16, 2019 and as amended from time to time.
23. 3rd party agency onboarding merchant insertion orders between Drop Technologies Inc. and [REDACTED] dated June 20, 2025, June 23, 2025.
24. 3rd party agency onboarding merchant insertion orders between Drop Technologies Inc. and [REDACTED] dated June 20, 2025.
25. 3rd party agency onboarding merchant insertion orders between Drop Technologies Inc. and [REDACTED] dated August 20, 2025 and July 7, 2025.
26. 3rd party agency onboarding merchant insertion orders between Drop Technologies Inc. and [REDACTED] dated July 1, 2025, July 2, 2025 and July 10, 2025.
27. 3rd party agency onboarding merchant insertion orders between Drop Technologies Inc. and [REDACTED] dated July 2, 2025 and July 10, 2025.
28. Insertion order agreements between Drop Technologies Inc. and [REDACTED] dated December 3, 2024, March 12, 2025, and September 8, 2025.
29. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated October 22, 2025.
30. Insertion order agreements between Drop Technologies Inc. and [REDACTED] dated July 1, 2025, September 8, 2025 and October 1, 2025.
31. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 4, 2025.
32. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated February 11, 2025.
33. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated January 14, 2025.
34. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated January 21, 2024.
35. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated January 14, 2025.
36. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated January 14, 2025.
37. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated January 14, 2025.

38. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated January 21, 2025.
39. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated January 8, 2025.
40. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated December 19, 2024.
41. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated December 20, 2024.
42. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated December 16, 2024.
43. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated December 9, 2024.
44. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 20, 2025.
45. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 20, 2025.
46. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 20, 2025.
47. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 28, 2025.
48. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 28, 2025.
49. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 28, 2025.
50. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 18, 2025.
51. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 18, 2025.
52. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 14, 2025.
53. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 28, 2025.
54. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated June 18, 2025.
55. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 20, 2025.
56. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 18, 2025.

57. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 7, 2025.
58. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 29, 2025.
59. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 13, 2025.
60. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 8, 2025.
61. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 8, 2025.
62. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 14, 2025.
63. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 8, 2025.
64. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 7, 2025.
65. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 6, 2025.
66. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 6, 2025.
67. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated May 2, 2025.
68. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 3, 2025.
69. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 28, 2025.
70. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 28, 2025.
71. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated April 1, 2025.
72. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated March 27, 2025.
73. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated July 29, 2025.
74. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated July 22, 2025.
75. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated July 24, 2025.

76. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated July 7, 2025.
77. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated July 7, 2025.
78. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated August 22, 2025.
79. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated August 11, 2025.
80. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated September 24, 2025.
81. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated September 23, 2025.
82. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated September 9, 2025.
83. Insertion order agreement between Drop Technologies Inc. and [REDACTED] dated September 24, 2025.
84. A laptop rental agreement between Drop Technologies Inc. and [REDACTED] company laptops.
85. All contracts related solely for the ongoing supply of company email and [REDACTED] accounts.
86. Agreement with [REDACTED] for the domain name eanwithdrop.com.
87. Agreement Snowflake regarding data.
88. Agreement with-[REDACTED]
89. Agreement between Drop Technologies Inc. and [REDACTED]
90. Agreement with [REDACTED]
91. Agreement with [REDACTED]
92. Agreement with [REDACTED]
93. A Commercial Premium Finance Insurance Agreement with [REDACTED]

SCHEDULE "E"
RETAINED LIABILITIES

All Liabilities in respect of any retained Employees, except for Liabilities relating to Terminated Employees.

Cure Costs related to Retained Contracts and any post-Closing Liabilities related to the Retained Contracts.

All liabilities in respect of Purchased Entities' lease agreement regarding various laptops.

SCHEDULE "F"

EXCLUDED LIABILITIES

The following is a non-exhaustive list of Excluded Liabilities:

1. Any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Purchased Entities may be bound as at the Closing Time.
2. Any and all Liabilities of the Purchased Entities pertaining to the administration of the Receivership Proceedings including, without limitation, under any Court ordered charge granted therein and any liability pursuant to any Receiver certificates.
3. All Liabilities of the Purchased Entities relating to or under the Excluded Contracts and Excluded Assets.
4. Any and all Liabilities relating to or under the Retained Contracts or Retained Assets arising before Closing, other than Cure Costs.
5. Any and all Employee Termination Costs in connection with Terminated Employees.
6. Any Liabilities of the Purchased Entities for commissions, fees or other compensation payable to any finder, broker or similar intermediary in connection with the negotiation, execution or delivery of this Agreement or the consummation of the Transaction.
7. Any Liabilities of the Purchased Entities for Taxes.
8. Any Liabilities of the Purchased Entities related to or arising under any Employee incentive plan.
9. Any and all Liabilities owed to shareholders, holders of simple agreements for equity, convertible noteholders, warrants, share options, or share purchase agreements.
10. Any and all Liabilities owing to Acorns Grow Inc..
11. Any and all Liabilities owing to Affinity Solutions Inc..
12. Any and all Liabilities owing to Triple LLC..
13. Any and all Liabilities owing to Kard Financial, Inc..
14. Any and all Liabilities owing to Mastercard International.
15. Any and all Liabilities owing to Osler, Hoskin & Harcourt LLP.
16. Any and all Liabilities owing to FirstParty, Inc.
17. Any and all Liabilities owing to Qualtrics LLC
18. Any and all Liabilities owing to Datadog, Inc.
19. Any and all Liabilities owing to KPMG LLP.
20. Any and all Liabilities owing to Braze Inc.
21. Any and all Liabilities owing to TikTok Technology Canada Inc.

22. Any and all Liabilities owing to Google Cloud Canada Corporation.
23. Any and all Liabilities owing to Plaid Technologies, Inc.
24. Any and all Liabilities owing to Meta Platforms, Inc.
25. Any and all Liabilities owing to Amazon Web Services Canada, Inc.
26. Any and all Liabilities owing to Phaidon International (US) Inc.
27. Any and all Liabilities owing to Synchrony Bank.
28. Any and all Liabilities owing to League Inc.
29. Any and all Liabilities owing to MoEngage Inc.
30. Any and all Liabilities owing to AppsFlyer.
31. Any and all Liabilities owing to Trival Media LLC.
32. Any and all Liabilities owing to Hess Legal.
33. Any and all Liabilities owing to Finks Technology, Inc.
34. Any and all Liabilities owing to Kevin Chan.
35. Any and all Liabilities owing to Hazel Savilla.
36. Any and all Liabilities owing to FaaS Cloud.
37. Any and all Liabilities of the Purchased Entities that are not Retained Liabilities.
38. Any claims and liabilities thereto arising under the proceedings between Drop Technologies Inc. as defendant and Svetlana Boukhny, individual and on behalf of herself and all others similarly situated as Plaintiff with case no. 2:24-cv-07848-AB-AS in the United States District Court Central District of California, including any default judgments arising from those proceedings.
39. Any intercompany liabilities, loans or balances owed to Drop USA by the Purchased Entities.
40. All claims arising from, relating to, or in respect of any period prior to Closing that is not a Cure Cost.

SCHEDULE "G" INTELLECTUAL PROPERTY

US Patent

Method and system for removing personally identifiable information from transaction histories, filed Nov. 16, 2021, Application No. 17/527,898, owner Drop Technologies Inc., Inventor I-Sheng Yang

Social Media Handles:

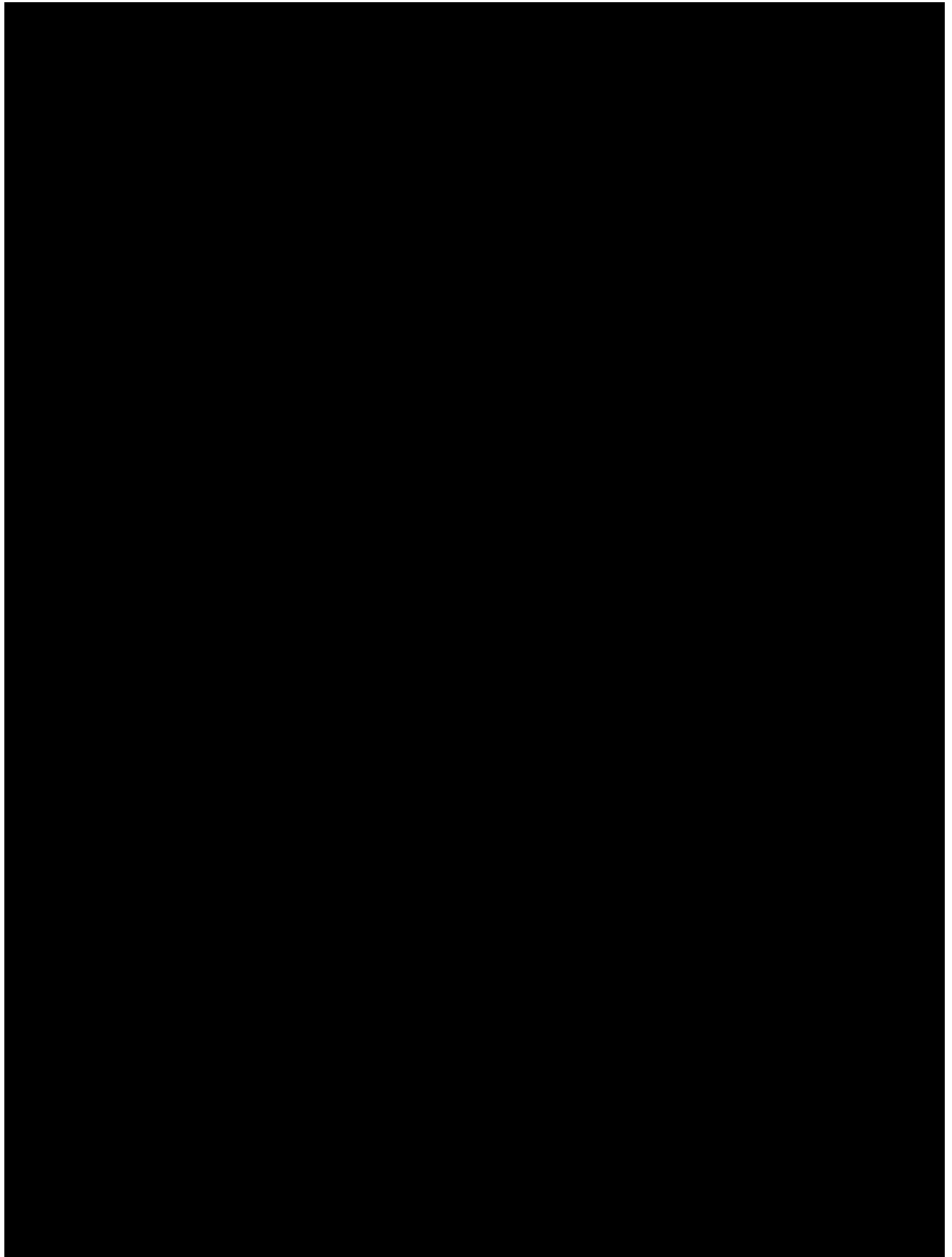
- [Facebook](#) - @JoinDrop
- [LinkedIn](#) - @joindrop
- [Twitter](#) - @JoinDrop
- Instagram - @joindrop
- Twitter - @signalsinsights

Domain Names:

cardifyinternal.com
drop.engineering
dropforbusiness.ca
dropforbusiness.com
dropinternal.com
earnwithdrop.com
ewd.io
joindrop.ca
joindrop.careers
joindrop.co

joindrop.co.uk
joindrop.com
joindrop.fail
joindrop.io
withdrop.com
drop.careers
drop.support
joindrop.app
cardify.ai
drop.vip
dropfinancial.com
dropblack.com
dropeats.com
dropinsights.com
dropfomo.com
droplife.com
earnwithdrop.co.uk
fomodrop.com
paymentsmarketing.com
mydropscore.com
rewardfind.com
https://www.joinsignals.com/

Schedule "H"
EQUITY TERM SHEET



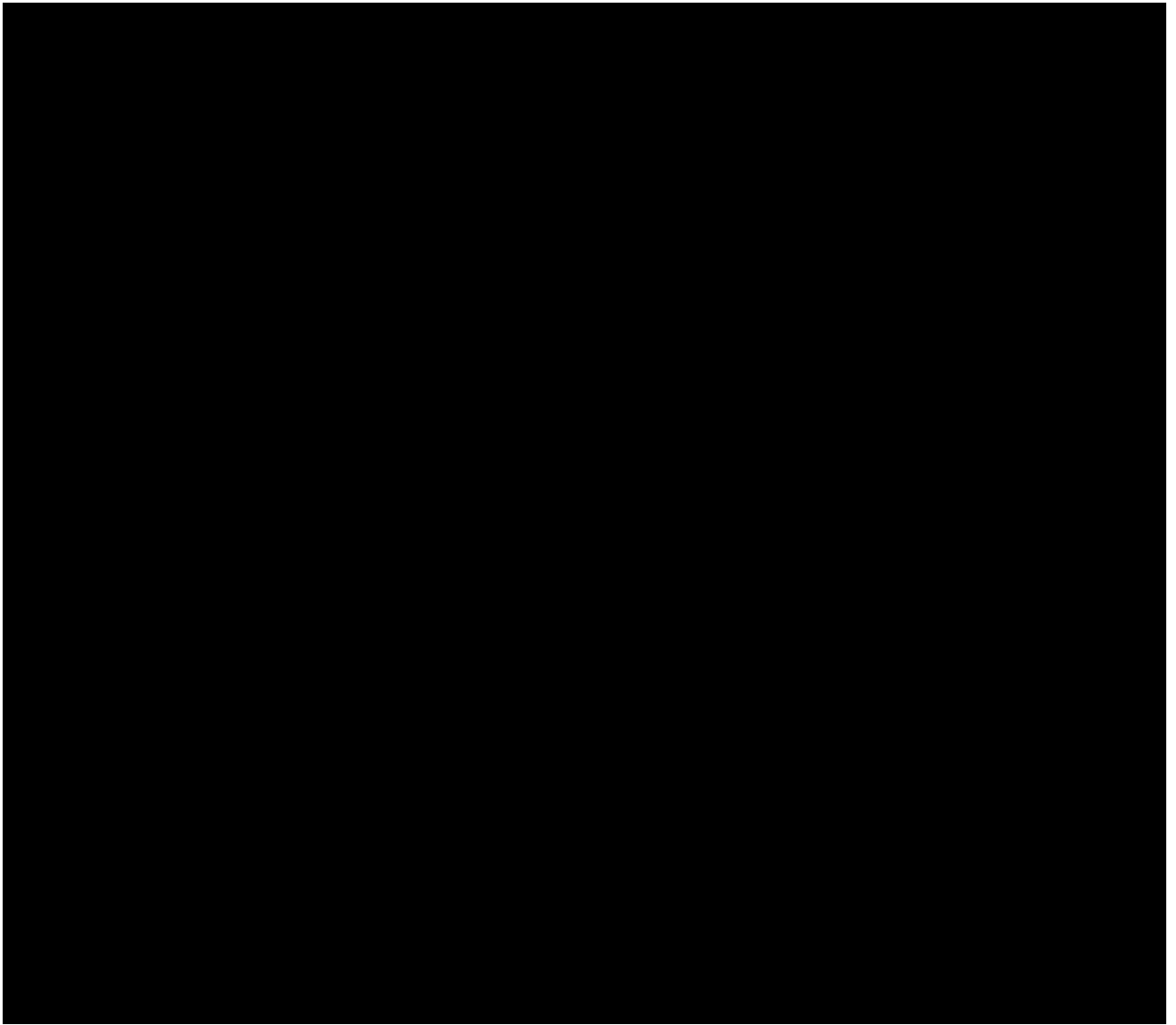


EXHIBIT "A"
IMPLEMENTATION STEPS¹

1. The Receiver shall incorporate and organize ResidualCo, with nominal consideration for common shares.
2. ResidualCo shall be added to the Receivership Proceedings as a Debtor, at which point the Receiver shall be deemed to also be appointed as receiver and manager over ResidualCo;
3. One day prior to the Closing Date, the Purchaser shall have paid to the Receiver the Closing Payment, to be held in trust and released in accordance with these Implementation Steps.
4. Effective as of the Closing Time, the following steps shall take place sequentially in accordance with Approval and Reverse Vesting Order:
 - (a) all Employees designated by the Purchaser as Terminated Employees will be terminated by the Receiver;
 - (b) the Excluded Assets and Excluded Liabilities shall be transferred to, and vest in, ResidualCo;
 - (c) any and all Liabilities arising from or relating to: (i) the transactions noted above; and (ii) the transfer and assignment of the Excluded Contracts and Excluded Liabilities to ResidualCo; including, for certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, shall be transferred to ResidualCo and the Purchased Entities shall have no obligations in connection with such Liabilities or Taxes
 - (d) the Articles of Reorganization shall be filed by the Receiver with the applicable Governmental Authorities, and shall be deemed to be effective;
 - (e) the Receiver shall issue the Purchased Shares to the Purchaser;
 - (f) the Existing Equity shall be redeemed and cancelled for no consideration pursuant to the Approval and Reverse Vesting Order and the Articles of Reorganization;
 - (g) the portion of the Purchase Price payable on the Closing Date (other than the Retained Liabilities retained by the Purchased Entities) (collectively the "**Sale Proceeds**") shall be released to the Receiver for the benefit of ResidualCo and the Purchase Price payable at Closing shall be satisfied in accordance with the terms of this Agreement;
 - (h) the Receiver shall fund the Wind Down Reserve from the estate of ResidualCo;
 - (i) Closing shall be deemed to have occurred; and
 - (j) the Purchased Entities shall cease to be respondents in the Receivership Proceedings.

NATIONAL BANK OF CANADA

Applicant

- and -

DROP TECHNOLOGIES INC.. et al.

Respondents

Court File No. CV-25-00749775-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

**SECOND REPORT OF THE PROPOSED
RECEIVER**

AIRD & BERLIS LLP

Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO# 31871V)

Tel: 416-865-7726

Email: sgraff@airdberlis.com

Adrienne Ho (LSO# 68439N)

Tel: 416-637-7980

Email: aho@airdberlis.com

Lawyers for the Proposed Receiver

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THE
JUSTICE)
DAY OF, 2025

B E T W E E N:

(Court Seal)

NATIONAL BANK OF CANADA

Applicant

- and -

DROP TECHNOLOGIES INC. (FORMERLY KNOWN AS DROP LOYALTY
INC.), DROP TECHNOLOGIES USA INC., and DROP TECHNOLOGIES
HOLDINGS ULC

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY
AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS
AMENDED**

APPROVAL AND REVERSE VESTING ORDER

THIS MOTION, made by KSV Restructuring Inc. in its capacity as proposed receiver and manager (as appointed, the “**Receiver**”) of Drop Technologies Inc. and Drop Technologies Holdings ULC (collectively the “**Debtors**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, for an order, among other things: (i) approving the subscription agreement

dated December 9, 2025 (the “**Subscription Agreement**”) between the Receiver and Drop Acquisition, Inc. (the “**Purchaser**”); (ii) approving the purchase and sale, issuance and subscription, and all related steps contemplated in the Subscription Agreement (the “**Transaction**”); (iii) approving the transfer and vesting of all Excluded Assets and Excluded Liabilities in one or more corporations to be incorporated by the Receiver (“**ResidualCo**”); (iv) approving the filing of articles of reorganization and the cancellation of all existing equity interests of Drop for no consideration; (v) approving and authorizing all such reorganization transactions contemplated in the Subscription Agreement and forming part of this Order (such transactions, including the closing sequence described in Exhibit “A” to the Subscription Agreement, being collectively referred to as the “**Implementation Steps**”); and (vi) terminating these proceedings in respect of the Purchased Entities, was heard this day by judicial teleconference via Zoom.

ON READING the affidavit of John Karkoutlian sworn August 20, 2025 and the Exhibits thereto, the Application Record of the Applicant dated August 20, 2025 (the “**Application Record**”), the Motion Record of the Proposed Receiver dated August 22, 2025, the Motion Record of the Proposed Receiver dated December <*>, 2025, the Factum of the Applicant and the Proposed Receiver dated <*> and on hearing the submissions of counsel for the Lender and such other counsel as were present, no one appearing for any other stakeholder although duly served as appears from the Affidavits of Service of <*> filed, and on reading the consent of KSV to act as the Receiver and the pre-filing report of the proposed Receiver;

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Second Report of the Proposed

Receiver dated December <*>, 2025 and the Subscription Agreement or the Receivership Order granted by this Court on December 9, 2025 , as applicable.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record of the Applicant and the Motion Record dated December <*>, 2025 of the Proposed Receiver is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL AND VESTING

3. **THIS COURT ORDERS** that the Subscription Agreement and the Transaction are hereby approved and the execution of the Subscription Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary or appropriate.

4. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to perform its obligations under the Subscription Agreement and to take all steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction in the sequence provided for in the Subscription Agreement, including but not limited to (i) the issuance of the Purchased Shares to the Purchaser; and (ii) the cancellation or redemption of the Existing Equity for no consideration, with such minor alterations, changes, amendments, deletions, or additions thereto as may be agreed to by the Receiver and the Purchaser.

5. **THIS COURT ORDERS** that notwithstanding any provision hereof, the closing of the Transaction shall be deemed to occur in the manner, order and sequence set out in the Subscription

Agreement, including in accordance with the Implementation Steps, with such alterations, changes or amendments as may be agreed to by the Purchaser and the Receiver.

6. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Receiver and the Debtors to proceed with the Transaction including, without limitation, the Implementation Steps, and that no shareholder, director, regulatory, securities or other approval shall be required in connection therewith, save for those authorizations expressly contemplated in the Subscription Agreement.

7. **THIS COURT ORDERS** that no meeting of shareholders of the Debtors (the “**Existing Shareholders**”) is required in respect of the Transaction nor is there a requirement to send any disclosure document related to the Transaction to the Existing Shareholders nor is director or shareholder approval required, other than obtaining the orders as contemplated by the Transaction Agreement, and no other approval, authorization or other action by or notice to or filing with any Governmental Authority (as defined below) or regulatory body exercising jurisdiction in respect of the Debtors is required for the due execution, delivery and performance by the Purchaser and Receiver of the Subscription Agreement and the completion of the Transaction. For greater certainty, the Receiver is hereby authorized to incorporate ResidualCo and permitted to execute and file the Articles of Reorganization or any other documents or instruments as may be required to effect the Transaction, and the Articles of Reorganization or any such other documents or instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions, nor is there a requirement to deliver any statutory declarations that may otherwise be required under corporate law.

8. **THIS COURT ORDERS AND DECLARES** that upon the delivery of the Receiver's certificate (the "**Receiver's Certificate**") to the Purchaser (the time of such delivery being referred to herein as the "**Closing Time**"), substantially in the form attached as **Schedule "A"** hereto, the following shall occur and shall be deemed to have occurred at the Closing Time in the following sequence as set out in the Implementation Steps and as set out below, provided that the Implementation Steps as set out below may be amended in accordance with the Subscription Agreement:

- (a) first, ResidualCo shall be added to these receivership proceedings as a respondent, at which point the Receiver shall be deemed to also be appointed as receiver and manager over ResidualCo;
- (b) second, all Employees designated by the Purchaser as Terminated Employees shall have their employment terminated by the Receiver, and all Employee Termination Costs shall form part of the Excluded Liabilities;
- (c) third, all of the Purchased Entities' right, title and interest in and to the Excluded Assets (including Excluded Contracts) shall transfer to, and vest absolutely and exclusively in, ResidualCo, with all applicable Claims and Encumbrances continuing to attach to the Excluded Assets (if any) in accordance with paragraph 12 of this Order, with the same nature and priority as they had immediately prior to the transfer and all Excluded Liabilities shall be channelled to, assumed by and vest absolutely and exclusively in ResidualCo, such that the Excluded Liabilities shall become the obligations of ResidualCo and shall no longer be obligations of the Purchased Entities, and all of the Purchased Entities' respective assets, licenses, undertakings and properties of every

nature and kind whatsoever and wherever situate, including the Retained Assets and including property held in trust for the Purchased Entities (**“Purchased Entities’ Property”**), shall be and are hereby forever released and discharged from such Excluded Liabilities and all related Claims, and all Encumbrances affecting or relating to the Purchased Entities’ Property are to be expunged and discharged as against the Purchased Entities’ Property;

- (d) fourth, any and all Liabilities arising from or relating to: (i) the transactions noted above; and (ii) the transfer and assignment of the Excluded Contracts and Excluded Liabilities to ResidualCo, including, for certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, shall be transferred to ResidualCo and the Purchased Entities shall have no obligations in connection with such Liabilities or Taxes;
- (e) fifth, the Articles of Reorganization of Drop shall be filed by the Receiver with the applicable Governmental Authority and shall be deemed to have been filed and be effective.
- (f) sixth, the Receiver shall cause Drop to issue the Purchased Shares to the Purchaser, and in consideration for the Purchase Price, all of the right, title and interest in and to the Purchased Shares issued by Drop through the Receiver to the Purchaser shall transfer and vest absolutely in the Purchaser, free and clear of any and all Claims and Encumbrances. The Purchased Entities’ Retained Assets and Retained Liabilities will be retained by the Purchased Entities (subject to the Permitted Encumbrances listed on **Schedule “B”** hereto), but in each case free and clear of and from any Claims and

- Encumbrances, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Appointment Order, or any other Order of this Court, and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, RSO 1990, c P10, as amended, the *Uniform Commercial Code (U.S.)*, or any other real or personal property registry system;
- (g) seventh, all Existing Equity outstanding prior to the issuance of the Purchased Shares, including all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person which are convertible or exchangeable for any securities of the Purchased Entities or which require the issuance, sale or transfer by the Purchased Entities of any shares or other securities of the Purchased Entities and/or the share capital of the Purchased Entities, or otherwise relating thereto, shall be deemed terminated and cancelled without consideration and the only Equity Interests that shall remain shall be the Purchased Shares and the issued and outstanding shares of DTH owned by Drop;
- (h) eighth, the Closing Payment, the Excluded Cash, amounts owing in respect of each Terminated Employees up to \$2,000 (and subject to an aggregative cap of \$15,000), and the Deposit (collectively the “**Sale Proceeds**”) shall be released to the Receiver for the benefit of Residual Co. and the Purchase Price payable at Closing shall be satisfied in accordance with the terms of the Subscription Agreement;
- (i) the Receiver shall fund the Wind Down Reserve from the estate of ResidualCo;

- (j) ninth, the Closing shall be deemed to have occurred;
- (k) tenth, the Purchased Entities shall cease to be respondents in these receivership proceedings and shall be deemed to be released from the purview of the Appointment Order and all other Orders of this Court granted in respect of these receivership proceedings, save and except for this Order, the provisions of which (as they relate to the Purchased Entities) shall continue to apply in all respects. For greater certainty, these Receivership Proceedings shall continue only in respect of ResidualCo.

9. **THIS COURT ORDERS AND DECLARES** that, at the Closing Time, any and all Liabilities arising from or relating to: (a) the Transaction; (b) the change of control resulting from the Transaction; or (c) the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo; to which the Purchased Entities may otherwise be bound at the Closing Time, including, for greater certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, shall be channeled to, assumed by and vested absolutely in ResidualCo and the Purchased Entities shall have no obligation in connection with such Liabilities or Taxes.

10. **THIS COURT ORDERS AND DECLARES** that, immediately following the Closing Time, these proceedings shall be terminated in respect of Drop Technologies Inc. and Drop Technologies Holdings ULC (collectively, the “**Purchased Entities**”) and their business and property, and the Purchased Entities shall be deemed to be released from the purview of the Receivership Order and all other Orders of this Court granted in respect of these proceedings, save and except for this Order, the provisions of which (as they relate to the Purchased Entities) shall continue to apply in all respects. For greater certainty, these proceedings shall continue in respect of ResidualCo.

11. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof in connection with the Transaction.

12. **THIS COURT ORDERS** that the Receiver shall have no liability with respect to delivery of the Receiver's Certificate.

13. **THIS COURT ORDERS** that upon delivery of the Receiver's Certificate and upon filing a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Purchased Entities, the Retained Assets or the Excluded Assets (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Subscription Agreement and the Transaction. Presentment of this Order and the Receiver's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of interest against any of the Retained Assets or Excluded Assets and the Purchaser and the Receiver are hereby specifically authorized to discharge the registrations on the Retained Assets and the Excluded Assets, as applicable.

NATURE AND PRIORITY OF CLAIMS

14. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the Closing Time, all Claims and Encumbrances released, expunged and discharged pursuant to this Order, including as against the Purchased Entities and the Retained Assets, shall attach to ResidualCo, including for the greater certainty the Sale Proceeds held by the Receiver and shall stand in the place and stead of the Debtors' Property in each case with the

same nature and priority as they had immediately prior to the Transaction, as if the Transaction had not occurred.

PERSONAL INFORMATION

15. **THIS COURT ORDERS** that pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Purchased Entities or the Receiver, as the case may be, are authorized, permitted and directed to, at the Closing Time, disclose to the Purchaser all human resources and payroll information in the records of the Purchased Entities pertaining to past and current employees of the Purchased Entities. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Purchased Entities prior to the Closing Time.

TAX MATTERS

16. **THIS COURT ORDERS AND DECLARES** that, at the Closing Time and without limiting the provisions of paragraphs 8 through 10 hereof, the Purchased Entities shall be released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) owed or owing, including assessed or accrued Taxes of or that relate to the Purchased Entities or the Purchased Assets for the period prior to the Closing Time, including without limiting the generality of the foregoing, all taxes that could be assessed against the Purchased Entities or the Purchaser (including its affiliates and any predecessor corporations) pursuant to section 160 and section 160.01 of the *Income Tax Act*, RSC 1985, c 1, as amended, or any equivalent legislation in any jurisdiction (including provincial legislation), in connection with the Purchased Entities. For greater certainty, nothing in this Order

or the Subscription Agreement precludes the Minister of National Revenue from exercising its rights with respect to any Taxes owed or owing, including assessed or accrued Taxes, against any of the Purchased Entities for the period on or after the Closing Time.

RETAINED CONTRACTS

17. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement, all Retained Contracts will be and remain in full force and effect upon and following delivery of the Receiver's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such Retained Contract may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the delivery of the Receiver's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Debtors);
- (b) the insolvency of the Debtors or the appointment of the Receiver;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription

Agreement, the Transaction or the provisions of this Order, or any other Order of the court in these proceedings; or

- (d) any transfer or assignment, or any change of control of the Purchased Entities arising from the implementation of the Subscription Agreement, the Transaction or the provisions of this Order.

18. **THIS COURT ORDERS** that for greater certainty, (a) nothing in paragraph 17 hereof shall waive, compromise or discharge any obligations of the Purchased Entities in respect of any Retained Liabilities, (b) the designation of any Claim as a Retained Liability is without prejudice to any of the Purchased Entities' or the Purchaser's right to dispute the existence, validity or quantum of any such Retained Liability, and (c) nothing in this Order or the Subscription Agreement shall affect or waive any of the Purchased Entities' or the Purchaser's rights and defenses, both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements, set-offs or recoupments against such Retained Liability.

19. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of the Purchased Entities then existing or previously committed by the Purchased Entities, or caused by the Purchased Entities, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Retained Contract existing between such Person and any of the Purchased Entities arising directly or indirectly from these proceedings, the Transaction or the Implementation Steps, including without limitation any of the matters or events listed in paragraph 17 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under

a Retained Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Purchased Entities from performing their obligations under the Subscription Agreement (including the obligation to make the Collected Receivables Payment, the Financing Payment, and/or the Uncollected Receivables Payment, as applicable) or be a waiver of defaults by the Purchased Entities under the Subscription Agreement or related documents.

PROCEEDINGS AGAINST PURCHASED ENTITIES BARRED

20. **THIS COURT ORDERS** that from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Purchased Entities or the Retained Assets relating in any way to or in respect of any Taxes, Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

POST-CLOSING: RETAINED/EXCLUDED LIABILITIES & EXCLUDED LIABILITY CLAIM

21. **THIS COURT ORDERS** that from and after the Closing Time:

- (a) the nature of the Retained Liabilities retained by the Purchased Entities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;

- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that prior to the Closing Time had a valid right or claim against the Purchased Entities under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim against the Purchased Entities or the Purchased Entities’ Property but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and
- (d) the Excluded Liability Claim of any Person against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as against ResidualCo as such Excluded Liability Claim had against the Purchased Entities prior to the Closing Time.

22. **THIS COURT ORDERS** that, as of the Closing Time, ResidualCo shall be added as a Respondent in these Receivership Proceedings and any reference in any Order of this Court in respect of these proceedings to “Respondent,” “Respondents,” “Debtor” or the “Debtors” shall also refer to ResidualCo. As of the Closing Time, all references in any Order of this court in respect of these proceedings to “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (the “**ResidualCo Property**”), and, for greater certainty, each

of the Charges (as defined in the Receivership Order, as amended and restated from time to time) shall constitute a charge on the ResidualCo Property.

23. **THIS COURT ORDERS** that, following the Closing Time, the style of cause shall be amended to reflect ResidualCo as the sole respondent, and all subsequent filings shall use the revised style of cause. The amended style of cause shall be and is hereby changed to:

NATIONAL BANK OF CANADA

Applicant

- and -

[RESIDUALCO.]

RESPONDENT

24. **THIS COURT ORDERS** that, following the Closing Time, all documents filed (other than the Receiver's Certificate) shall be filed using the revised style of cause.

ADDITIONAL CORPORATE MATTERS

25. **THIS COURT ORDERS THAT** in completing the Transaction contemplated in the Implementation Steps, the Receiver is hereby authorized:

- (a) To execute and deliver any documents and assurances governing or giving effect to the Implementation Steps as the Receiver and the Purchaser, in their discretion, may deem to be reasonably necessary or advisable to conclude the Implementation Steps, including the execution of such deeds, contracts, or documents as may be contemplated

in the Subscription Agreement and all such deeds, contracts, or documents are hereby ratified, approved, and confirmed; and

- (b) to take such steps as are, in the opinion of the Receiver and the Purchaser, necessary or incidental to the implementation of the Implementation Steps.

IMPLEMENTATION MATTERS

26. **THIS COURT ORDERS** that the Receiver be and is hereby permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Implementation Steps and that such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Implementation Steps.

27. **THIS COURT ORDERS** that the Registrar of Companies appointed pursuant to the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended, (the “CBCA”) and the *Business Corporations Act* (Alberta), are hereby authorized and directed to accept and receive any articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Implementation Steps contemplated in the Subscription Agreement, filed by either the Debtors or ResidualCo as the case may be.

28. **THIS COURT ORDERS** that the Director appointed pursuant to section 260 of the CBCA or any other appointed official under applicable provincial legislation, shall accept and receive any

articles of amendment, amalgamation, continuance, or reorganization or such other documents or instruments as may be required to permit or enable and effect the Transaction, filed by Drop or ResidualCo.

29. **THIS COURT ORDERS** that Drop and ResidualCo are hereby permitted to execute and file articles of amendment, amalgamation, continuance, or reorganization or such other documents or instruments as may be required to permit or enable and effect the Transaction, including without limitation the issuance of shares, and such articles, documents, or other instruments shall be deemed to be duly authorized, valid, and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Transaction.

30. **THIS COURT ORDERS** that no director or shareholder approval shall be required and no authorization, approval or other action by notice to or filing with any governmental authority or regulatory body exercising jurisdiction in respect to Drop is required for the due execution, delivery and performance by Drop and ResidualCo of the Subscription Agreement and the completion of the Transaction. Without limiting the generality of the foregoing, Drop shall not be required to send any disclosure document related to the Transaction, to such shareholders or other holders of equity interests.

TRANSACTION PROTECTED FROM BANKRUPTCY OF DEBTORS AND/OR RESIDUALCO

31. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these proceedings;

- (b) any applications or motions for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) or any other similar legislation in respect of the Debtors or ResidualCo, and any bankruptcy order issued pursuant to any such applications or motions; and
- (c) any assignment in bankruptcy or similar process made in respect of the Debtors or ResidualCo;

the Subscription Agreement, the Transaction, or the Implementation Steps (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts, and Excluded Liabilities in and to ResidualCo, and the issuance of the Purchased Shares), and any payments by the Purchaser authorized herein or pursuant to the Subscription Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and/or ResidualCo, and shall not be void or voidable by creditors of the Debtors or ResidualCo as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or similar legislation of any other jurisdiction, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

BANKRUPTCY OF RESIDUALCO

32. **THIS COURT ORDERS** that, following the Closing Time, the Receiver shall be authorized but not obliged: (a) to file an assignment in bankruptcy pursuant to the BIA for and on behalf of ResidualCo and to take any steps incidental thereto naming KSV or another Licensed Insolvency Trustee as trustee for the bankruptcy estate.

APPROVAL OF THE CASH DISTRIBUTION

33. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute to National Bank such Proceeds of the Transaction at ResidualCo as the Receiver may determine from time to time, subject to the retention of the Wind-Down Reserve, up to the amount owing to National Bank (the “**Cash Distributions**”). Notwithstanding anything else contained in this Order, such payment shall be made free and clear of all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Appointment Order in the within proceedings; and (ii) all charges, security interests, liens, trusts, or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property or real property registry system.

34. **THIS COURT ORDERS** that the Receiver or any other person facilitating payments and distributions pursuant to this Order shall be entitled to deduct and withhold from any such payment or distribution such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate Governmental Authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate Governmental Authority or other person entitled thereto, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.

35. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of any of the Debtors and any bankruptcy order issued pursuant to any such application; and
- (c) any assignment in bankruptcy made in respect of any of the Debtors;

any payment or distributions made pursuant to this Order are final and irreversible and shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Debtors and shall not be void or voidable by creditors of such entity, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RECEIVER

36. **THIS COURT ORDERS** that nothing in this Order, including the release of the Debtors from the purview of these proceedings pursuant to paragraph <*> hereof and the addition of ResidualCo as a Respondent in these proceedings, shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Receiver in these proceedings, and KSV shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Receiver at law, the Receivership Order, any other Orders in these Proceedings or otherwise,


including all approvals, protections and stays of proceedings in favour of KSV in its capacity as Receiver, all of which are expressly continued and confirmed.

37. **THIS COURT ORDERS** that no action lies against the Receiver by reason of this Order or the performance of any act authorized by this Order, except with leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Receiver and its legal counsel. The entities related or affiliated with the Receiver or belonging to the same group as the Receiver (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Receiver) shall benefit from the protection granted to the Receiver under this paragraph.

38. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Receiver, its employees and representatives are not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo, de facto or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising as a direct result of the gross negligence or wilful misconduct of the Receiver.

39. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Receiver as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors of or legal representative of ResidualCo.

RESIDUALCO

40. **THIS COURT ORDERS** that  (the “**First Director**”) is hereby authorized, *nunc pro tunc*, to act as a director and officer of ResidualCo and, in such capacity, is authorized to take such

steps and perform such tasks as are necessary or desirable to facilitate the terms of this Order and the Transaction.

41. **THIS COURT ORDERS** that the First Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except any liability or obligation incurred as a result of gross negligence or wilful misconduct on his part.

SEALING

42. **THIS COURT ORDERS** that Confidential Appendix to the Second Report are hereby sealed, confidential, and shall not form part of the public record, and the Confidential Appendix shall be placed into a separate confidential exhibit book kept separate and apart from all other contents in the Court file, in sealed envelopes attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened after the Receiver's Certificate is filed with the Court, or further Order of the Court.

GENERAL

43. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, and any other jurisdiction in which it is enforceable.

44. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the Debtors, Residual Co, the Receiver, 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 Debtors, ResidualCo, and to the Receiver, as an officer of this court, as may be necessary or

desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Debtors and the Receiver and their respective agents in carrying out the terms of this Order.

45. **THIS COURT ORDERS** that each of the Debtors, ResidualCo and the Receiver 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 Receiver 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.

46. **THIS COURT ORDERS** that this Order is effective as of 12:05 AM from the date that it is made and is enforceable without the need for entry and filing.

SCHEDULE “A” – FORM OF RECEIVER’S CERTIFICATE

NATIONAL BANK OF CANADA

Applicant

- and -

DROP TECHNOLOGIES INC. (FORMERLY KNOWN AS DROP LOYALTY INC.), DROP TECHNOLOGIES USA INC., and DROP TECHNOLOGIES HOLDINGS ULC

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

RECITALS

A. Pursuant to the Appointment Order of the Honourable Justice [●] of the Ontario Superior Court of Justice (Commercial List) dated December [●], 2025 (the “**Appointment Order**”), KSV Restructuring Inc. (the “**Receiver**”) was appointed as receiver and manager, without security, of all of the assets, undertakings and properties of Drop Technologies Inc. and its subsidiary Drop Technologies Holdings ULC. (collectively with non-respondent subsidiary Drop Technologies USA Inc., the “**Debtors**”).

B. Pursuant to the Approval and Reverse Vesting Order of the Court granted December [●], 2025 (the “**Order**”), the Court, *inter alia*: (i) approved the transaction (the “**Transaction**”) contemplated by the subscription agreement dated December 2, 2025 (the “**Subscription Agreement**”) between KSV Restructuring Inc., in its capacity as Receiver, and Drop Acquisition, Inc. (the “**Purchaser**”), for the subscription and purchase of the Purchased Shares and authorizing and directing the Receiver to perform its obligations under the Subscription Agreement; (ii)

approved the incorporation of ResidualCo and the transfer and vesting of all Excluded Assets and Excluded Liabilities in ResidualCo; (iii) approved the filing of Articles of Reorganization and the cancellation of all Existing Equity for no consideration; (iv) approved the issuance and vesting of the Purchased Shares in the Purchaser free and clear of all Encumbrances other than Permitted Encumbrances; and (v) approved the Implementation Steps described in Exhibit “A” to the Subscription Agreement.

C. Capitalized terms not defined herein shall have the meaning given to them in the Order or the Subscription Agreement.

THE RECEIVER CERTIFIES the following:

1. The Receiver has received from the Purchaser the Closing Payment, the Excluded Cash, amounts owing in respect of each Terminated Employees up to \$2,000 and subject to an aggregative cap of \$15,000, and the Deposit payable upon Closing.
2. The Implementation Steps described in Exhibit “A” to the Subscription Agreement have been satisfied or waived by the Receiver and the Purchaser and the Transaction has been completed to the satisfaction of the Receiver.
3. This certificate was delivered by the Receiver on _____, 2025.

) KSV Restructuring Inc., solely in its
) capacity as Court-appointed receiver and
) manager of Drop Technologies Inc., and
) Drop Technologies Holdings ULC., and
) not in its personal or corporate capacity.

) Per: _____
)
)

Name: [●]

Title: [●]

SCHEDULE “B” – PERMITTED ENCUMBRANCES

NATIONAL BANK OF CANADA
Applicant

and DROP TECHNOLOGIES INC. et al
Respondents

Court File No. CV-25-00749775-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

REVERSE VESTING ORDER

AIRD & BERLIS LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO # 31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Adrienne Ho (LSO # 68439N)
Tel: (416) 637-7980
Fax: (416) 863-1515
Email: aho@airdberlis.com

Lawyers for National Bank of Canada and the Receiver

TAB 4

SERVICE LIST
(Current as of December 2, 2025)

TO:	<p>AIRD & BERLIS LLP Brookfield Place 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9</p> <p>Steven L. Graff Tel: 416-865-7726 Email: sgraff@airdberlis.com</p> <p>Adrienne Ho Tel: 416-637-7980 Email: aho@airdberlis.com</p> <p><i>Lawyers for the Applicant and Proposed Receiver</i></p>
AND TO:	<p>KSV RESTRUCTURING INC. 220 Bay St. Suite 1300 Toronto, ON M5J 2W4</p> <p>Bobby Kofman Tel: 416-932-6228 Email: bkofman@ksvadvisory.com</p> <p>Eli Brenner Tel: 416-932-6028 Email: ebrenner@ksvadvisory.com</p> <p><i>Proposed Receiver</i></p>
AND TO:	<p>DROP TECHNOLOGIES INC. 120 Front Street East Suite 200 Toronto, ON M5A 4L9</p> <p>Derrick Fung Email: derrick@joindrop.com; derrick@cardify.ai</p> <p><i>Respondent</i></p>

AND TO:	<p>DROP TECHNOLOGIES HOLDINGS ULC 2700, 255 – 6th AVENUE SW Calgary, AB T2P 1N2</p> <p>Derrick Fung Email: derrick@joindrop.com</p> <p><i>Respondent</i></p>
AND TO:	<p>DROP TECHNOLOGIES USA INC. 251 Little Falls Drive Wilmington, New Castle Delaware 19808 United States</p> <p>and</p> <p>110 E 25th St. New York, NY 10010 United State</p> <p>Derrick Fung Email: derrick@joindrop.com</p> <p><i>Respondent</i></p>
AND TO:	<p>CASSELS BROCK & BLACKWELL LLP Suite 3200, Bay Adelaide Centre – North Tower 40 Temperance St. Toronto, ON M5H 0B4</p> <p>Natalie E. Levine Tel: 416-860-6568 nlevine@cassels.com</p> <p>Jonathan Sherman Tel: 416-869-5409 jsherman@cassels.com</p> <p><i>Lawyers for the proposed purchaser</i></p>

AND TO:	ONTARIO MINISTRY OF FINANCE Legal Services Branch 33 King Street West, 6th Floor Oshawa, ON L1H 8H5 Email: insolvency.unit@ontario.ca
AND TO:	CANADA REVENUE AGENCY c/o Department of Justice Ontario Regional Office the Exchange Tower, Box 36 130 King Street West, Suite 3400 Toronto, ON M5X 1K6 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca Pat Confalone Email: pat.confalone@cra-arc.gc.ca Tel: 416-954-6514
AND TO:	OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY OF CANADA Innovation, Science and Economic Development Canada 151 Yonge Street, Suite 400 Toronto, ON M5C 2W7 osbservice-bsfservice@ised-isde.gc.ca Fax: 416-973-7440
AND TO:	INGBER LAW GROUP 3580 Wilshire Blvd., Suite 1260 Los Angeles, California 90010 Jason M. Ingber Tel: (213) 805-8373 Email: ji@jasoningber.com
AND TO:	WAGE EARNER PROTECTION PROGRAM (WEPP) SERVICE CANADA / GOVERNMENT OF CANADA Julie Matte Tel: 613-330-9405 Email: julie.l.matte@servicecanada.gc.ca Walter Kravchuk Email: walter.kravchuk@justice.gc.ca

PPSA Registrants

AND TO:	ROYAL BANK OF CANADA 36 York Mills Road, 4th Floor Toronto ON M2P 0A4 and 200 Bay Street Toronto, ON M5J 2J5 Email: barrie.laver@rbccm.com
AND TO:	NEW ENTERPRISE ASSOCIATES 16, L.P. 1954 Greenspring Dr., Suite 600 Timonium, MD 21093 United States Email: ryang@nea.com
AND TO:	KENSINGTON VENTURE FUND II, L.P. 95 St. Clair Ave. West #905 Toronto, ON M4V 1N6 Email: wbear@kcpl.ca
AND TO:	ROGUE INSIGHT CAPITAL LTD. 3100 Steeles Avenue East, Suite 601 Markham, ON L3R 8T3 Email: surajgupta@rougeinsightcapital.com
AND TO:	KENSINGTON PRIVATE EQUITY FUND KENSINGTON (PARALLEL) VENTURE FUND II, L.P. 95 St. Clair Avenue West, Suite 905 Toronto, ON M4V 1N6 Email: wbear@kcpl.ca
AND TO:	SIERRA VENTURES XI L.P. 1400 Fashion Island Blvd, Suite 1010 San Mateo, CA 94404 United States Email: jim@sierraventures.com Email: mark@sierraventures.com
AND TO:	FF SAPPHIRE OPPORTUNITY FUND II, LLC Po Box 10188 Suite 31732 Newark, NJ 071013188 United States

	Email: john@ffvc.com Email: alex@ffvc.com
AND TO:	SYNCHRONY FINANCIAL 777 Long Ridge Road Stamford, CT 06902 United States Email: kelly.shaw@syf.com
AND TO:	BROADER MEDIA HOLDING, LLC 125 West 55th Street, 11th Floor New York, NY 10019 United States Email: joerobinson@iheartmedia.com
AND TO:	DROP DIRECT, LLC 524 West 19th Street, 2nd Floor New York, NY 10011 United States Email: osawiris@hofcapital.com

Email List:

sgraff@airdberlis.com; aho@airdberlis.com; bkofman@ksvadvisory.com;
ebrenner@ksvadvisory.com; derrick@joindrop.com; derrick@cardify.ai; nlevine@cassels.com;
jsherman@cassels.com; mclarksonmaciel@cassels.com; insolvency.unit@ontario.ca; AGC-
PGC.Toronto-Tax-Fiscal@justice.gc.ca; osbservice-bsfservice@ised-isde.gc.ca;
pat.confalone@cra-arc.gc.ca

PPSA Registrants

john@ffvc.com; alex@ffvc.com; surajgupta@rougeinsightcapital.com; jim@sierraventures.com;
mark@sierraventures.com; barrie.laver@rbccm.com; ryang@nea.com; wbear@kcpl.ca;
kelly.shaw@syf.com; joerobinson@iheartmedia.com; osawiris@hofcapital.com;

NATIONAL BANK OF CANADA

Applicant

- and -

DROP TECHNOLOGIES INC. et al.

Respondents

Court File No. CV-25-00749775-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

MOTION RECORD
(Returnable December 9, 2025)

AIRD & BERLIS LLP

Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO# 31871V)

Tel: 416-865-7726

Email: sgraff@airdberlis.com

Adrienne Ho (LSO# 68439N)

Tel: 416-637-7980

Email: aho@airdberlis.com

Lawyers for the Proposed Receiver