



July 25, 2019

To: Prospective Purchasers

Dear Sir/Madam

Re: 3886727 Canada Inc., carrying on business as Holistic Blend (collectively, the “Company”)

Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) made on June 12, 2019, KSV Kofman Inc. was appointed the receiver and manager (in such capacity, “Receiver”) of all the assets, undertakings and properties of Holistic Blend.

This agreement (the “Agreement”) shall be effective as of the date set forth below your signature hereto.

In connection with your possible interest in exploring a transaction involving the Company (“Transaction”), you have requested, and may further request, certain oral and written information concerning the Company from the Receiver, as well as from the representatives, solicitors, advisors and/or agents of the Receiver (collectively, the “Receiver’s Representatives”). References to the “Information Parties” herein shall mean the Receiver and the Receiver’s Representatives (including, without limitation, the Receiver’s legal advisors). All such information furnished to you or your Representatives (as defined below) by or on behalf of the Information Parties (irrespective of the form of communication and whether such information is so furnished before, on or after the date hereof), and all analyses, compilations, data, studies, notes, interpretations, memoranda or other documents prepared by you or your Representatives (as defined below) containing or based in whole or in part on any such furnished information are collectively referred to herein as the “Information”. Information about identifiable individuals is herein referred to as “Personal Information”. For clarity, unless otherwise specified, Information also includes Personal Information.

In consideration of furnishing you and your Representatives with the Information, you agree to and will cause your Representatives to comply with, the following:

1. The Information will be used solely for the purpose of evaluating a Transaction, and the Information will be kept strictly confidential and will not be used for any purpose other than evaluating a Transaction or disclosed by you or your Representatives, except that you may disclose the Information or portions thereof to those of your directors, officers and employees and representatives of your legal, accounting and financial advisors (the persons to whom such disclosure is permissible being collectively referred to herein as the “Representatives”) who need to know such information for the purpose of evaluating such Transaction; provided that, prior to receiving such Information, such Representatives are informed of the confidential and proprietary nature of the Information and agree to comply with the terms of this Agreement. You agree to take any and all measures necessary to keep the Information confidential in accordance with the terms of this Agreement. You agree to be responsible for any breach of this Agreement by your Representatives (it being understood that such responsibility shall be in addition to and shall not limit any right or remedy the Receiver may have against such Representatives with respect to any such breach).

2. Except with the prior written consent of the Receiver, neither you nor your Representatives will disclose to any person the fact that any investigations, discussions or negotiations are taking place concerning a Transaction (including the fact of this Agreement), or that you have received Information from any of the Information Parties, or any of the terms, conditions or other facts with respect to any such possible Transaction or your involvement relating thereto, including the status thereof. Neither you nor your Representatives will communicate directly or indirectly in connection with any matter which is the subject of the Information or relating to the Company, with any person that has any agreement or relationship with the Company or any of its affiliates, outside the ordinary course of business. The term "person" as used in this Agreement will be interpreted broadly to include the media and any corporation, company, group, partnership, limited liability company, trust or other entity or individual.
3. If you or any of your Representatives become legally compelled (including by deposition, discovery, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any of the Information, you shall provide the Receiver with prompt prior written notice of such requirement so that the Receiver may, in its sole discretion, take any action that it may deem appropriate, including seeking a protective order or other appropriate remedy and/or waiving compliance with the terms of this Agreement. If such protective order or other remedy is not obtained, or if the Receiver waives compliance with the provisions hereof, both you and your Representatives shall disclose only that portion of the Information which is legally required to be disclosed and take all reasonable steps necessary to preserve the confidentiality of the Information. Personal Information does not include any portions of such Information which you can show was in your lawful possession before or after it was furnished to you or your Representative hereunder.
4. You acknowledge that the Information may contain material non-public information and agree that you and your Representatives, as applicable, shall comply with any applicable securities laws and are solely responsible for such compliance.
5. For purposes of this Agreement, other than with regard to Personal Information, the term "Information" does not include any information which: (i) at the time of disclosure is generally available to the public (other than as a result of a disclosure directly or indirectly by you or your Representatives) or (ii) was known by you on a non-confidential basis from a source other than any of the Information Parties or their respective advisors, provided that such source is not and was not known by you to be bound by a confidentiality obligation owed to the Receiver or the Company.

6. Notwithstanding anything to the contrary contained in this Agreement, the following additional restrictions shall apply to Personal Information: (a) Personal Information will be kept confidential at all times in accordance with the terms of this Agreement and will not be used or disclosed except in accordance with applicable law; (b) you shall store Personal Information properly and securely and ensure that appropriate physical, technological and organizational measures are in place to protect Personal Information against unauthorized or unintended access, use or disclosure; (c) you shall not retain any records pertaining to Personal Information; (d) you shall not copy or reproduce any of the Information, except to provide to your Representatives who need to know the Information for the purpose of evaluating or advising on the Transaction; and (e) the confidentiality and non-use obligations in this Agreement pertaining to Personal Information shall survive any termination or expiration of this Agreement.
7. If you determine not to pursue a Transaction, you will promptly notify, in writing, the Receiver and its counsel of your determination. At the time of such notice, or if, at any earlier time, the Receiver so directs (whether or not you determine to pursue a Transaction), you and your Representatives will promptly return to the Receiver (whether or not prepared by the Information Parties or otherwise on their behalf), or destroy, all Information and all copies, extracts or other reproductions in whole or in part thereof. Notwithstanding the return of the Information, you and your Representatives will continue to be bound by this Agreement.
8. The Information (except such portion thereof constituting analyses, compilations, studies, forecasts, data or other documents or materials prepared by you or your Representatives) is and shall, at all times, remain the property of the Company, and the Receiver and the Receiver's Representatives may, at any time and from time to time, disclose such Information to other persons in connection with a Transaction.
9. You understand and acknowledge that none of the Information Parties, or any of their officers, directors, employees, representatives or agents is making any representation or warranty, express or implied, as to any matter pertaining to the Information (including, without limitation, the accuracy or completeness of the Information), and none of the Information Parties, or any of their officers, directors, employees, representatives or agents, will have any liability to you or any other person resulting from your use of the Information. Only those representations or warranties that are made to you in a definitive written agreement regarding a Transaction with the Receiver (a "Definitive Agreement") when, as, and if it is executed, and subject to such limitations and restrictions as may be specified in such Definitive Agreement, will have any legal effect. For greater certainty, the term "Definitive Agreement" does not include an executed letter of intent or any other preliminary written agreement nor does it include any written or oral acceptance by the Information Parties of any offer or bid, if any, made by you or your Representative.
10. The Receiver has no legal obligation of any kind whatsoever with respect to a Transaction by virtue of this Agreement or any other written or oral expression with respect to a Transaction except, in the case of this Agreement, for the matters specifically agreed to herein. You acknowledge that the Receiver reserves the right to reject any or all offers received with respect to a potential Transaction.
11. This Agreement represents the entire agreement between the parties hereto regarding the Information and all other subject matters set forth herein, and supersedes all prior and contemporaneous negotiations, understandings, representations and warranties and agreements between the parties hereto (both written and oral) with respect to such subject matters. No provision in this Agreement can be waived or amended except by written consent of the Receiver or its counsel, which consent shall specifically refer to this paragraph and explicitly make such waiver or amendment.

12. You agree that money damages would not be a sufficient remedy for any breach of this Agreement by you and that the Receiver shall be entitled to, and you shall not oppose the granting of, equitable relief, including injunction and specific performance, in the event of any such breach, in addition to all other remedies available to the Receiver at law or in equity or otherwise.
13. You agree that no failure or delay by the Receiver in exercising any right, power or privilege hereunder will operate as a waiver thereof or an estoppel thereto, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
14. If any provision of this Agreement is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity shall not be deemed to affect any other provision hereof or the validity of the remainder of this Agreement, and such invalid provision shall be deemed deleted here from to the minimum extent necessary to cure such violation.
15. All contacts by you or your Representatives regarding the Information or a Transaction shall be made through the Receiver or the Receiver's Representatives. You will not, for a period of 12 months from the date of this Agreement, (i) contact any customer or vendor of the Company with regard to the Company's matters without the prior written consent of the Receiver, or (ii) interfere with any person's business relationships with the Company.
16. Any requirement for you to provide notice or other communication shall be in writing and may be delivered personally or transmitted by fax or email, addressed as follows:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9
Attention: Jonathan Joffe
Fax: 416-932-6253
Email: jjoffe@ksvadvisory.com

17. You acknowledge and agree that the Receiver is not obligated to accept any offer in respect of a potential Transaction, including the best offer. You further acknowledge that Court approval is required in order to accept any potential Transaction.
18. You shall not assign any rights or benefits of this Agreement to any person. This Agreement shall ensure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.
19. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to the conflicts of law principles thereof, and the parties shall submit to the exclusive jurisdiction of the courts of the Province of Ontario.

20. If you agree with the foregoing, please sign and return a copy of this letter, which will constitute our agreement with respect to the subject matter hereof.

Yours very truly,

Handwritten signature in blue ink that reads "KSV Kofman Inc".

**KSV KOFMAN INC.
SOLELY IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
3886727 CANADA INC., CARRYING ON BUSINESS AS HOLISTIC BLEND
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

CONFIRMED AND AGREED

Company

Name (please print)

Signature

Email address (to receive confidential information)

Date



Acquisition Opportunity

MANUFACTURER AND DISTRIBUTOR OF ORGANIC PET PRODUCTS

An opportunity exists to potentially acquire any right, title and interest of the business and assets of 3886727 Canada Inc., carrying on business as Holistic Blend (collectively, the “Company”), including the intellectual property.

Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) made on June 12, 2019, KSV Kofman Inc. was appointed the receiver and manager (in such capacity, the “Receiver”) of the assets, undertakings and properties of the Company.

The business operations formerly carried on by the Company ceased prior to the commencement of these proceedings.

BUSINESS OVERVIEW

Located in Mississauga, Ontario, the Company has carried on business as a manufacturer and distributor of natural organic pet food and pet health care products for over 25 years. The Company imported, packaged and distributed products under the brands *Holistic Blend* and *My Healthy Pet*. The Company’s customers included retail stores, online stores and breeders.

The Company’s products cater primarily to dogs and cats. Products include dry food, wet food, supplements and treats. All of the Company’s commercial and premium pet foods meet standards set by the *Association of American Feed Control Officials* and their ingredients are sourced from Canadian, USA and New Zealand origin.

INTELLECTUAL PROPERTY

The Company has the right to use the names *Holistic Blend* and *My Healthy Pet* by way of an End User License Agreement dated May 2, 2015 (the “Licensing Agreement”), entered into between an affiliate of the Company, 9022619 Canada Inc., as licensor, and the Company, as licensee. The term of the Licensing Agreement is perpetual. A copy of the Licensing Agreement will be made available to interested parties, subject to the terms of Non-Disclosure Agreement.

REVENUE AND PROFITABILITY

As reflected below, the Company has a history of strong sales and profitability:

(Unaudited; CAD; 000’s)	2015	2016	2017	2018	2019 (YTD) ¹
Sales revenue	3,304	3,575	3,007	2,911	1,780
Cost of Sales	2,138	2,712	2,348	1,626	1,058
Gross profit	1,166	863	659	1,285	722
Gross profit %	35%	24%	22%	44%	41%

¹ Year-to-date results represent actual results for the period October 1, 2018 to March 31, 2019.

SELECT ACQUISITION HIGHLIGHTS

- ✓ **Recognized quality brand trademarks**
- ✓ **Perpetual rights under a Licensing Agreement**
- ✓ **Longstanding relationships with a customer base that has continued demand for product**

BID PROCESS

If you are interested in pursuing this opportunity for the Company's right, title and interest in the business and assets of the Company, please execute the attached confidentiality agreement ("CA") and return it to the Receiver, attention Jonathan Joffe (jjoffe@ksvadvisory.com).

The Receiver has prepared an on-line data room to provide additional information on the Company and this opportunity. Access to the data room is available to prospective purchasers that execute and return the attached CA.

The deadline for the submission of offers is August 19, 2019 at 4 pm (Toronto time).

In due course, the data room will include a standard asset purchase agreement ("APA"). Bidders are encouraged to submit their offers in the form of the APA or substantially in the form of the APA.

The Receiver reserves the right to amend or terminate this offering at any time. The Receiver is under no obligation to accept the highest or any offer.

All communications relating to this opportunity should be directed to:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

Jonathan Joffe
(416) 932-6253
jjoffe@ksvadvisory.com

Noah Goldstein
(416) 932-6207
ngoldstein@ksvadvisory.com