ksv advisory inc.

Seventh Post Plan Implementation Report of KSV Restructuring Inc. Pursuant to Section 8.1 of the Plan of Compromise and Arrangement Dated December 16, 2021 of Rosebud Creek Financial Corp., 957855 Alberta Ltd. and Metro 360 General Partnership

August 7, 2025

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 957855 ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP

SEVENTH POST PLAN IMPLEMENTATION REPORT OF KSV RESTRUCTURING INC. AS CCAA MONITOR

AUGUST 7, 2025

1.0 Introduction

1. Rosebud Creek Financial Corp. ("Rosebud") and 957855 Alberta Ltd. ("957") (jointly, the "Partners") are holding companies and the partners of Metro 360 General Partnership ("Metro", and together with the Partners, the "CCAA Entities").

2. On April 6, 2020, each of the Partners filed a Notice of Intention to Make a Proposal pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada), as amended (the "NOI Proceedings"). KSV Restructuring Inc. ("KSV") was appointed the proposal trustee (the "Proposal Trustee") in the NOI Proceedings.

3. On June 17, 2020, the Partners obtained an Initial Order [1] from the Ontario Superior Court of Justice (Commercial List) (the "Court"), among other things, taking up and continuing the NOI Proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") and appointing KSV as monitor of the CCAA Entities (the "Monitor").

4. Pursuant to the CCAA, the CCAA Entities filed a Plan of Compromise and Arrangement dated December 16, 2021, as amended, and as it may be further amended, modified, varied and/or supplemented in accordance with its terms (the "Plan").

5. The Plan was unanimously accepted by Affected Creditors at a meeting conducted on December 16, 2021. Pursuant to a Court order made on January 14, 2022 (the "Sanction Order"), the Court, *inter alia,* sanctioned and approved the Plan. The Plan was implemented on February 9, 2022 (the "Plan Implementation Date"). A copy of the Plan can be found here: Plan.

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[1] Capitalized terms not defined in this Report have the meanings ascribed to them in the Plan.

6. Section 8.1 of the Plan requires the Monitor to file a report with the Court at least every six months after the Plan Implementation Date. This is the Monitor's seventh report since the Plan Implementation Date.

7. Additional information regarding the CCAA Entities, the Plan, the NOI Proceedings and these proceedings can be found in the affidavits sworn by Daniel Shapiro, the CCAA Entities' President and Chief Executive Officer, and in the prior reports filed by KSV as Proposal Trustee and Monitor, including its six prior Post Plan Implementation Reports. Court materials are available on the Monitor's website at https://www.ksvadvisory.com/insolvency-cases/case/metro360 (the "Website").

1.1 Purposes of this Report

1. The purposes of this report (the "Report") are to provide:

   a) background information about the CCAA Entities and these proceedings; and

   b) an update regarding Metro and the Subsidiaries (as defined below below) in accordance with Section 8.1 of the Plan.

1.2 Currency

1. Unless otherwise noted, all references to currency in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, KSV has relied upon unaudited financial information prepared by, and discussions with, the CCAA Entities' management (the "Financial Information"). KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the Financial Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.

2. KSV expresses no opinion or other form of assurance with respect to the Financial Information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on the Financial Information is required to perform its own due diligence and perform such additional investigations as it requires. KSV makes no representation or warranty as to the accuracy, completeness or fitness for purpose of the Financial Information presented herein.

3. Future oriented Financial Information relied upon in this Report is based upon management's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or assurance regarding the future oriented Financial Information presented in this Report.

2.0 Background

1. The Partners are holding companies. Rosebud is an Ontario corporation which holds a 69.4% partnership interest in Metro and 100% of 957, an Alberta corporation which holds the remaining 30.6% partnership interest in Metro.

2. Prior to the commencement of the NOI Proceedings, Metro's business was primarily focused on wholesaling and distributing books and magazines to thousands of retailers across Canada (the "Literature Business"). The principal cause of Metro's financial difficulties leading up to the commencement of the NOI Proceedings was the decline of the Literature Business, which accelerated with the onset of the Covid-19 pandemic.

3. Due to unsustainable cash losses, immediately following the commencement of the NOI Proceedings, Metro sought approval of a sale of its Literature Business to Great Pacific Enterprises Inc. d/b/a TNG (the "TNG Transaction"). The TNG Transaction was approved by the Court on April 7, 2020 and closed on April 8, 2020.

4. After completing the TNG Transaction, Metro's business focused on: (a) distributing consumer-packaged goods ("CPG"), such as food products, music and consumer electronic accessories; and (b) growing businesses in which Metro and/or Rosebud directly or indirectly hold an equity interest, being Well Ventures Corp. ("Well"), Handfuel Inc. ("Handfuel"), Spectral Agriventures Inc. ("Spectral"), United Library Services Inc. ("ULS"), Recruiter.com Group, Inc. ("Recruiter") and Lucidsoft Inc. (dba Leankor) ("Leankor") (collectively, the "Subsidiaries"). Metro provides management, administrative and strategic support to the Subsidiaries.

5. As discussed in the Monitor's Fourth Post-Plan Implementation Report dated February 9, 2024, in February 2024, Metro took steps to discontinue its CPG business and has since exclusively focused on supporting the Subsidiaries' growth and other strategic initiatives.

6. In the Monitor's Second Post-Plan Implementation Report dated February 9, 2023, the Monitor advised that on February 7, 2023, Metro transferred its 50% interest in Handfuel to 36M Capital Partnership LP (the "HF Partnership"). Metro is the sole limited partner of the HF Partnership and holds 99.999% of the partnership interest in the HF Partnership. The general partner of the HF Partnership is 1000437848 Ontario Limited, a wholly-owned subsidiary of Metro, with the result being that Metro continues to be the ultimate beneficiary of the 50% interest in Handfuel.

7. The transfer of the Handfuel interest required an administrative amendment to the Plan in order to maintain the status quo in respect of the treatment of any potential sale of Metro's interest in Handfuel under the Plan, and accordingly, the Monitor consented to an amendment of the Plan for this purpose. A copy of the Amended Plan dated February 7, 2023 is available on the Website at the following link: Amended Plan.

8. The businesses of the Subsidiaries are discussed in detail in the Monitor's Seventh Report to Court dated November 22, 2021 (the "Plan Assessment Report"). A copy of the Plan Assessment Report can be found here: Plan Assessment Report.

3.0 Monitor's Update

1. Section 8.1 of the Plan provides, *inter alia*, that for as long as obligations under the Promissory Note remain outstanding, the Monitor shall report at least every six months after the Plan Implementation Date, or periodically in response to or as a result of the occurrence of a material event, as determined by the Monitor in its sole discretion, by preparing a report that will be served on the service list in the CCAA Proceedings and posted on the Website. The Monitor is required to report on, among other things:

   a) the affairs, activities and business of the CCAA Entities and the Subsidiaries;

   b) amounts outstanding under the Promissory Note;

   c) the status of any Disputed Claims;

   d) the Investment Reserve, including any amounts transferred or requests to transfer amounts therefrom;

   e) any determination regarding Excess Cash;

   f) the Creditor Distribution Pool, including requests to transfer Excess Cash therefrom; and

   g) the actual and projected expenses of the Monitor.

2. An update on each of the above since the Sixth Post Plan Implementation Report is provided in the following sections of this Report.

3.1 Plan Subsection 8.1(a) – Update on CCAA Entities and the Subsidiaries

3.1.1 Metro

1. From the Plan Implementation Date until February 2024, Metro's management was primarily focused on growing its CPG distribution business and the Subsidiaries.

2. In February 2024, Metro discontinued active business operations. Metro's management advised that doing so would allow Metro to substantially eliminate its negative cash flow by vacating its current leased premises, removing all operating costs, including its workforce, and terminating all distribution and supply agreements. Since February 2024, Metro has operated solely as a holding company that manages its investments in the Subsidiaries.

3.1.2 Subsidiaries

1. Rosebud and Metro do not have a controlling interest in the Subsidiaries; however, Metro has historically provided the Subsidiaries with back-office support and Metro's management (principally Mr. Shapiro) oversees the growth and strategic decision-making of certain of these businesses. Services provided by Mr. Shapiro, through Metro, include capital raising, product development, developing and managing distribution and sales relationships and overall strategic guidance. The Monitor has been advised that Mr. Shapiro is not compensated by any of the Subsidiaries for providing these services. Notwithstanding Metro's discontinuation of operating

activities, Metro (principally Mr. Shapiro) has continued to provide these support services to the Subsidiaries.

2. The continued growth of the Subsidiaries and their eventual sale or other liquidity transaction is the only mechanism through which Affected Creditors can receive further distributions to be applied against the Promissory Note.

3. The following sections provide a brief update on the business and activities of each of the Subsidiaries since the Sixth Post Plan Implementation Report.

Well

a) Well is a manufacturer and distributor of cold pressed juices. On a fully diluted basis, Metro and Rosebud own 19.7% and 3.5% of Well's equity, respectively.

b) Well's activities since the Sixth Post Plan Implementation Report are summarized below.

   i. Well has secured several new programs, including with President's Choice for Loblaws which has exceeded budget by 30% to-date;

   ii. Well is in the final stages of development of several new juice SKUs with a target launch date of September, 2025;

   iii. Well is also finalizing a new smoothie product line with a target launch date in early 2026. This segment is believed to be complimentary to its existing cold pressed juice product line;

   iv. Well has not experienced any impact from any US tariffs imposed on cross-border shipments; and

   v. Well's annual sales for fiscal 2026[2] are projected to exceed prior year by 32%. Well's profitability is also trending positively. It generated positive EBITDA during the fourth quarter of fiscal 2025 and the first quarter of fiscal 2026. It is also generating gross margins consistent with budget for the three months ended June 30, 2025.

Handfuel

a) Metro, through its interest in the HF Partnership, owns a 50% equity interest in Handfuel, a manufacturer of flavourful and nutritious food products which it distributes across Canada, such as fruit and nut snack mix products. Handfuel's products are sold in major grocery store chains and high-end grocers across Canada and maintains a significant direct to consumer e-commerce business.

[2] Well's fiscal year-end is March 31st.

b) HandFuel's activities since the Sixth Post Plan Implementation Report are summarized below.

i. HandFuel continues to expand its distribution footprint throughout Canada, in both retail and hospitality. Handfuel continues to generate positive year-over-year operating results, both on a sales and profitability basis;

ii. HandFuel recently completed implementation of its migration to a new manufacturing ERP system, which is expected to generate operating efficiencies;

iii. HandFuel continues to expand its Canadian distribution footprint through all classes of trade. It has launched several new products this year which has enabled it to continue to grow its account penetration and doors serviced;

iv. HandFuel has experienced some impact from US tariffs on raw ingredients, for which it is presently negotiating alternate sources of supply; and

v. HandFuel continues to generate positive EBITDA with $300,000 for the six-month period ended June 30, 2025 and $772,000 estimated by Management for the full year ending December 2025.

Spectral

a) Metro and Well own a 9% and 39% equity interest in Spectral, respectively. Spectral developed a greenhouse model to reposition how Canadian grocery retailers source produce and sell leafy greens. As referenced in the Sixth Post Plan Implementation Report, the Spectral business is dormant and unlikely to generate recoveries for Affected Creditors.

ULS

a) Rosebud owns a 50% interest in ULS. ULS is a Calgary-based wholesale distributor of books to schools and libraries, primarily in Western Canada. Management advises that the ULS business remains profitable but continues to experience a long-term sales decline as a result of the overall decrease in book sales, which was expected. Rosebud is not expecting to receive dividends from ULS in the near term (if ever).

Recruiter and Leankor

a) Rosebud owns 4,144 shares of Recruiter, which operates a recruiting platform. Recruiter is publicly traded on the NASDAQ stock exchange under the ticker RCRT. Based on Recruiter's share price as at the date of this Report, Rosebud's nominal interest in Recruiter is valued at approximately US$11,000.

b) Rosebud also has a small interest in Leankor, which is a privately held company that provides SaaS project management software. This investment also has negligible value.

3.2 Plan Subsection 8.1(b) – Promissory Note

1. Pursuant to the Plan, the CCAA Entities were required, within 30 days of the Plan Implementation Date, to make an initial distribution (the "Initial Distribution") to Affected Creditors with Proven Claims. Proven Claims totalled approximately $18.6 million. On or around February 18, 2022, the CCAA Entities made the Initial Distribution of approximately $4.7 million in respect of the Proven Claims.

2. On the Plan Implementation Date, a non-interest-bearing promissory note was issued by the CCAA Entities and held by the Monitor on behalf of Affected Creditors who are not Convenience Class Creditors, in respect of the remaining balance owing to such Affected Creditors after payment of the Initial Distribution. The Promissory Note matures on February 9, 2027 (being five years from the Plan Implementation Date), but such maturity may be extended by the CCAA Entities, with the consent of the Monitor, for up to two additional five-year periods.

3. There have been no further distributions to Affected Creditors with Proven Claims. Accordingly, the amount owing by the CCAA Entities under the Promissory Note (approximately $13.9 million) has not changed since the Initial Distribution.

3.3 Plan Subsection 8.1(c) – Disputed Claims

1. Pursuant to Section 8.1(c) of the Plan, the Monitor is required to report on Disputed Claims in the Claims Procedure.

2. There are no Disputed Claims or any outstanding issues in the Claims Procedure.

3.4 Plan Subsection 8.1(d) – Investment Reserve

1. Pursuant to Section 5.1 of the Plan, the CCAA Entities transferred $1 million to the Investment Reserve Account (being an account to be maintained by the Monitor) on February 3, 2022.

2. The Investment Reserve Account was created under the Plan to set aside funds from the cash then on hand, so that the CCAA Entities can, in consultation with the Monitor, participate in the Subsidiaries' future capital raising transactions to avoid or minimize dilution of their equity interests in the Subsidiaries. As of the date of this Report, there have been three transfers made from this account:

    a) on June 13, 2022, the Monitor transferred $30,900 to Metro from the Investment Reserve Account to enable Metro to exercise in-the-money warrants in Well before they were set to expire;

    b) on June 27, 2023, the Monitor transferred $400,000 to Metro from the Investment Reserve Account so Metro could participate as the lead investor in Well's capital raise, thereby avoiding dilution of the CCAA Entities' interest in Well. This advance allowed Metro to acquire an additional 153,846 shares at $2.60 per share; and

c) on December 3, 2024, the Monitor transferred $200,000 to Metro from the Investment Reserve Account so Metro could participate as one of the lead investors in Well's $775,000 capital raise pursuant to an unsecured 18% convertible note, thereby avoiding dilution of the CCAA Entities' interest in Well. This participation provided Metro with warrants to acquire additional common shares of Well at $2.60 per share.

3. There have been no transfers from the Investment Reserve Account since the Sixth Post Plan Implementation Report. As of the date of this Report, the balance in the Investment Reserve Account is approximately $466,000 (inclusive of interest).

3.5 Plan Subsection 8.1(e) – Excess Cash

1. Commencing at the end of Metro's first full fiscal year following the Plan Implementation Date (being the year ended December 31, 2023), the Plan provides that the CCAA Entities must transfer any Excess Cash to the Creditor Distribution Pool Account, which can then be used to make distributions to Intercompany Creditors and Affected Creditors if the balance of the Creditor Distribution Pool Account exceeds $1 million.

2. Metro has discontinued its business operations (other than as a holding company), and the Subsidiaries are not expected in the near term to generate any material distributions or other payments to Metro in the normal course. Accordingly, the CCAA Entities are not expected to generate any Excess Cash in the near term.

3.6 Plan Subsection 8.1(f) – Creditor Distribution Pool

1. To date, there have been no transfers to the Creditor Distribution Pool Account other than to fund the Initial Distribution.

2. As at the date of this Report, the balance in the Creditor Distribution Pool Account is approximately $42,000, which represents Uncashed Distribution cheques from the Initial Distribution.

3. In its Second Post Implementation Report, the Monitor advised that the Uncashed Distribution Notification Deadline expired on August 18, 2022, and accordingly, the claims of such Affected Creditors are considered satisfied, forever discharged and forever barred, and the Uncashed Distributions of approximately $42,000 are to remain in the Creditor Distribution Pool Account for future distribution to creditors.

3.7 Plan Subsection 8.1(g) – Monitor's Fees

1. The fees and disbursements of the Monitor and its legal counsel, Bennett Jones LLP ("Bennett Jones"), from the Plan Implementation Date to January 31, 2025 were reported in the Monitor's previous post plan implementation reports.

2. The fees (excluding disbursements and HST) of the Monitor and Bennett Jones from February 1, 2025 to July 31, 2025 total approximately $15,000 and $3,000, respectively.

3. Pursuant to the Sanction Order, the fees of the Monitor and Bennett Jones incurred following the Plan Implementation Date do not require Court approval.

4.0 Next Steps

1. There continues to be no foreseeable timeline for distributions to Affected Creditors. The Monitor is required to file its next report no later than February 7, 2026.

2. Should there be a material development prior to February 7, 2026, the Monitor will file, serve and make available on the Website a further report in accordance with Section 8.1 of the Plan.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS MONITOR OF
THE PARTNERS AND METRO
AND NOT IN ITS PERSONAL CAPACITY