



**Report of
KSV Restructuring Inc.
as Proposed CCAA Monitor of
Norwood Industries Inc.**

September 8, 2025

Contents	Page
1.0 Introduction.....	1
1.1 KSV's Prior Mandate	2
1.2 Purpose of this Pre-Filing Report	3
1.3 Restrictions	3
1.4 Currency	4
1.5 KSV's Qualifications to Act as Monitor	4
2.0 Background	4
3.0 Financial Information	6
3.1 Balance Sheet.....	6
3.2 Income Statement	7
4.0 Creditors.....	7
4.1 Secured Creditors	7
4.2 Unsecured Creditors	8
5.0 Cash Flow Forecast.....	8
6.0 Court Ordered Charges	8
6.1 Administration Charge.....	8
6.2 Director's Charge	9
6.3 Priority of Charges	10
7.0 Creditor Notification	10
8.0 Conclusion and Recommendation	10

Appendices	Tab
KSV's Consent to Act as Monitor	A
Cash Flow Forecast, including Statutory Reports	B

COURT FILE NO. •

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NORWOOD INDUSTRIES INC.

PRE-FILING REPORT OF KSV RESTRUCTURING INC.
AS PROPOSED MONITOR

SEPTEMBER 8, 2025

1.0 Introduction

1. KSV Restructuring Inc. ("**KSV**") understands that Norwood Industries Inc. (the "**Company**") intends to make an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order (the "**Initial Order**"), among other things, granting the Company protection under the CCAA and appointing KSV as monitor in the CCAA proceedings (in such capacity, the "**Monitor**").
2. The principal purpose of these CCAA proceedings is to create a stabilized environment to enable the Company to complete a sale of substantially all its business and assets on a timely basis.
3. In February 2025, the Company retained G2 Capital Advisors ("**G2**"), a US-based investment bank and restructuring advisory firm, to assist it to review its strategic options. In April 2025, in consultation with G2 and Monroe Capital LLC ("**Monroe**"), the Company's senior secured lender, the Company concluded it was in the best interests of the business and its stakeholders to pursue a sale of the business pursuant to a sales process led by G2 (the "**Norwood SISP**"). The Norwood SISP is in its late stages, as described herein and in the draft affidavit of Rhett Ross (the "**Draft Ross Affidavit**"), a G2 representative and its Chief Restructuring Officer (the "**CRO**").
4. Pursuant to the terms of the proposed Initial Order, the Company is seeking, among other things:
 - a) the appointment of KSV as Monitor;
 - b) a stay of proceedings pending a motion to be heard within ten days of the granting of the Initial Order (the "**Comeback Hearing**");

- c) Court-ordered Administration and Director's Charges (as each term is defined below); and
 - d) such further and other relief as may be sought by the Company and granted by the Court.
- 5. KSV understands that at the Comeback Hearing, the Company intends to seek the following relief:
 - a) an extension of the stay of proceedings;
 - b) a charge to secure the fees and disbursements of the CRO;
 - c) increases, if necessary, in the Administration Charge and the Director's Charge; and
 - d) such other relief as the Company believes will assist it to preserve, protect and maximize the value of its business and assets.
- 6. The Draft Ross Affidavit, submitted to the Court on September 5, 2025 in support of the Company's CCAA application, provides, *inter alia*, background information concerning the Company's business, the Norwood SISF and the reasons for the commencement of these proceedings.
- 7. If the Court grants the Initial Order, Court materials filed in these proceedings will be made available by KSV on its case website at www.ksvadvisory.com/experience/case/norwoodindustries (the "**Case Website**").
- 8. KSV is filing this report (the "**Pre-Filing Report**") as the proposed Monitor (the "**Proposed Monitor**").

1.1 KSV's Prior Mandate

- 1. On May 14, 2025, KSV¹ was engaged by McCarthy Tétrault LLP ("**McCarthy**"), counsel to the Company, to provide consulting services to it in respect of its representation of the Company (the "**Advisory Mandate**").
- 2. The Advisory Mandate included, among other things, reviewing the Company's financial information, reviewing and assessing the Company's financial projections, and considering the Company's strategic options.
- 3. KSV's engagement letter states that the Advisory Mandate will terminate if KSV is appointed to act as a court officer in any insolvency proceeding involving the Company. The engagement letter also provides that the Advisory Mandate does not preclude KSV from acting as a court officer in a court-supervised insolvency proceeding of the Company. If appointed Monitor, KSV confirms its ability to act as an independent court officer in the Company's CCAA proceedings and does not believe any of its activities in connection with the Advisory Mandate would preclude its ability to do so.

¹ KSV's affiliate, KSV Advisory Inc., was engaged for the advisory mandate. KSV is a subsidiary of KSV Advisory Inc.

1.2 Purpose of this Pre-Filing Report

1. The purposes of this Pre-Filing Report are to:
 - a) provide KSV's qualifications to act as Monitor;
 - b) provide background information about the Company and these proceedings;
 - c) discuss the Company's financial position, including amounts owing to its creditors;
 - d) report on the Company's cash flow projection for the period September 1, 2025 to November 2, 2025 (the "**Cash Flow Forecast**");
 - e) summarize the Norwood SISP and its present status;
 - f) discuss the rationale for the following provisions in the Initial Order:
 - i. a charge in the amount of \$250,000 (the "**Administration Charge**") on the Company's current and future property, assets and undertaking (collectively, the "**Property**") to secure the fees and the disbursements of the Proposed Monitor, the Proposed Monitor's Counsel (Norton Rose Fulbright Canada LLP) and the Company's legal counsel (McCarthy); and
 - ii. a charge on the Property in the amount of \$364,000 in favour of the Company's sole director and its officers, including Mr. Ross in his capacity as CRO (the "**Director's Charge**", and collectively with the Administration Charge, the "**Charges**"); and
 - iii. the proposed priority of the Charges; and
 - g) provide the Proposed Monitor's recommendations regarding the relief sought by the Company in its application materials.

1.3 Restrictions

1. In preparing this Pre-Filing Report, KSV has relied upon the Company's unaudited financial information, financial forecasts, books and records, information available in the public domain and discussions with the Company's advisors, including G2's representatives.
2. KSV has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Pre-Filing 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. Other than the Court, any party wishing to place reliance on the financial information should perform its own diligence.

3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Pre-Filing Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

1.4 Currency

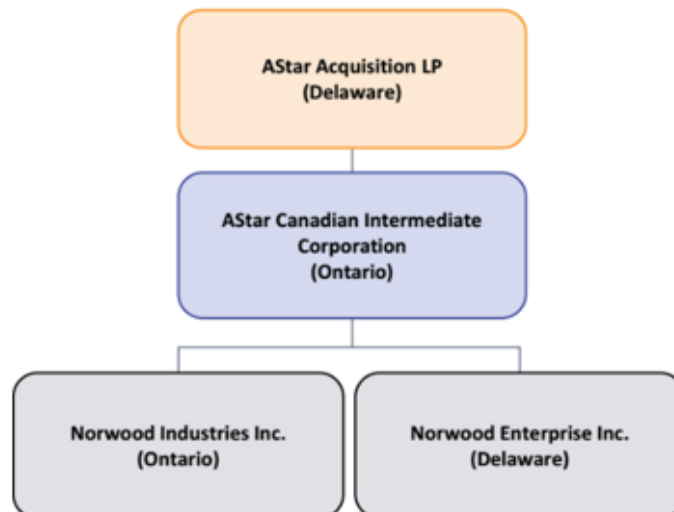
1. Unless otherwise noted, all currency references in this Pre-Filing Report are in Canadian dollars.

1.5 KSV's Qualifications to Act as Monitor

1. KSV is a licensed trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada). KSV is not subject to any of the restrictions to act as a monitor set out in Section 11.7(2) of the CCAA.
2. KSV has consented to act as monitor (the “**Monitor**”) in these proceedings should the Initial Order be granted. KSV's consent is provided in **Appendix “A”**.
3. KSV has extensive experience acting as a CCAA monitor and other court-officer capacities in insolvency proceedings across Canada, including in industries similar to the Company's industry.
4. Neither KSV nor any of its representatives or affiliates has at any time in the past two years been: (a) a director, officer, or employee of any member of the Company; (b) related to any member of the Company, or to any director or officer of any member of the Company; or (c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of any member of the Company.

2.0 Background

1. The Company is a corporation existing under the laws of Ontario and is a wholly-owned subsidiary of AStar Intermediate Corporation (“**AStar**”), which is also incorporated under the laws of Ontario. Norwood Enterprise Inc. (“**Norwood US**”) is also a wholly-owned subsidiary of AStar and is organized pursuant to the laws of Delaware. The corporate structure is presented in the chart below.



2. As at the date of this Pre-Filing Report, the Company had 49 employees, 45 of which are salaried and 4 of which are hourly. The Company's workforce is not unionized, and it does not offer its employees a pension plan. Norwood US has four employees.
3. The Company's primary business is designing, engineering, manufacturing and selling portable sawmills and related forestry equipment to outdoorsmen, craftsmen, hobbyists and professional sawyers. The Company offers more than forty production-enhancing attachments and accessories which allow customers to expand and customize their sawmills, including hydraulic systems, log loaders, levelers and saw head extensions. The Company also sells replacement parts and consumables, including blades, sharpeners, setters, lubrication systems and engine service kits, and provides after-sales support and technical assistance. The Company holds in excess of 85 patents.
4. The Company operates from leased premises in Barrie, Ontario, where it maintains manufacturing, warehousing, research and development, and a showroom facility. Norwood US is based in Tonawanda, New York, which serves as a US warehouse and support facility for its American customer base.
5. Monroe is the Company's senior secured lender. As of the date of this Pre-Filing Report, the Company's indebtedness to Monroe was approximately US\$20.4 million (before accruing interest and costs) on a term loan facility and \$3.1 million under a revolving loan facility. The Company has been in default of its minimum liquidity obligations to Monroe since January 14, 2025. On March 10, 2025, Monroe exercised rights under an equity pledge to appoint an independent nominee as the sole director of the Company. On April 10, 2025, the Company, with Monroe's consent, retained Mr. Ross as the CRO.
6. G2 is a US- based investment banking and restructuring advisory firm, with a focus on middle-market businesses facing special situations. KSV understands that G2 has completed over 625 engagements in North America, including in the consumer and retail, industrial and manufacturing, technology and business services, and transportation and logistics sectors.
7. Despite recent efforts undertaken by the Company to reduce its cash burn and improve its financial performance in the post-Covid pandemic period, the Company has continued to under-perform. Accordingly, in April 2025, with the consent of Monroe, the Company launched the Norwood SISP as part of its strategic review process. The Norwood SISP is being led by G2.
8. The Norwood SISP has included a wide canvassing of the strategic and financial parties and is in its late stages. The intention of the Norwood SISP is to complete a value maximizing transaction on a timely basis that sees the Company's business continue on a going-concern basis. As the Company is presently cash flow negative, completing a transaction in the near term is a priority of the Norwood SISP.
9. KSV, in the context of its Advisory Mandate, has been kept apprised of the status of the Norwood SISP. Additional details of the Norwood SISP are provided in the Draft Ross Affidavit.

3.0 Financial Information

1. The following sections provide a summary of the Company's financial position as of July 31, 2025, as well as its operating results for its last three fiscal years and the 7-month period ending July 31, 2025.

3.1 Balance Sheet

1. The Company's unaudited balance sheet as of July 31, 2025 is presented below.

(Unaudited)	Book Value
Description	(\$000s)
Cash	1,346
Accounts receivable	300
Inventory	5,946
Prepaid expenses	2,631
Other current assets	661
Current assets	10,884
Property and equipment, net	111
Goodwill	91,963
Intangible assets, net	33,730
Other assets	2,965
Total assets	139,653
Accounts payable and accrued liabilities	11,744
Current portion of term loans	448
Revolving credit facility	2,739
Due to related party	764
Deferred revenue	1,619
Other current liabilities	585
Current liabilities	17,899
Term Loans	28,079
Total liabilities	45,978
Capital Stock	125,736
Retained earnings	(32,339)
Accumulated Other Comprehensive Income	278
Total equity	93,675
Total liabilities & equity	139,653

2. The balance sheet reflects:
 - a) approximately \$125 million of the Company's approximately \$140 million of total assets are comprised of goodwill resulting from a transaction in 2021, as well as other intangible assets – these assets have no realizable value in a liquidation of the business;
 - b) the Company has negative working capital (approximately \$10.8 million in current assets versus \$17.9 million liabilities), reflecting the Company's illiquidity; and
 - c) the Company has negative retained earnings of approximately \$32.3 million, reflecting a history of recurring losses.

3.2 Income Statement

1. The table below summarizes the Company's operating results for the fourteen-month period ending December 31, 2022, fiscal years ending December 31, 2023 and 2024 and the seven-months ending July 31, 2025.

\$000s	2025 (7 mos.) (unaudited)	2024 (unaudited)	2023 ² (audited)	2022 ³ (14 mos.) (audited)
Sales	18,096	41,153	60,045	107,511
Cost of Sales	12,245	27,644	36,960	70,278
Gross Margin	5,851	13,510	23,085	37,234
Gross Margin (%)	32.3%	32.8%	38.5%	34.6%
Operating expenses	12,553	35,389	33,191	35,387
Earnings (loss) from operations	(6,702)	(21,880)	(10,106)	1,846
Other expenses (income)	(7,936)	299	239	(3,740)
Income taxes (recovery)	-	-	(1,273)	1,675
Net income (loss)	1,234	(22,179)	(8,594)	(3,569)

2. The results in the table reflect, *inter alia*, that:
 - a) revenue declined materially between fiscal 2022 and 2024, and that trend has continued in the current fiscal year; and
 - b) net losses from 2022 to 2024 totaled approximately \$34.3 million. Operating losses have continued in the current year (approximately \$6.7 million, offset by a one-time insurance claim of nearly \$8 million).
3. The causes of the decline in the Company's financial results are detailed in the Draft Ross Affidavit.

4.0 Creditors

4.1 Secured Creditors

1. The Ontario Personal Property Registry confirms that each of Monroe, Royal Bank of Canada ("RBC"), and Xerox Canada ("Xerox") have registered security interests in respect of certain of the Company's personal property.
2. Monroe is the Company's primary secured creditor. Monroe has security over substantially all of the Company's business and assets. Further details concerning Monroe's credit facility is provided in the Draft Ross Affidavit.

² Source: Audited financial statements of AStar Canadian Intermediate Corporation and its Subsidiaries, Norwood Industries Inc. and Norwood Enterprise Inc.

³ See footnote 2. The 14-month period in 2022 reflects the sale, acquisition and amalgamation of the various entities in a transaction completed on November 3, 2021.

3. As of the date of this Pre-Filing Report, RBC was owed approximately \$200,000 on the Company's credit cards. KSV understands that RBC may be fully or partially cash collateralized in respect of this indebtedness. Prior to the return of the Company's application for CCAA protection, either the Company's counsel or the Proposed Monitor intends to contact RBC to investigate the extent to which the Company's credit card debt owing to RBC is cash collateralized. Further information in respect of this issue will be provided to the Court at the return of this application.
4. Xerox leases photocopiers to the Company. KSV has been advised that these lease payments are current.

4.2 Unsecured Creditors

1. As of July 31, 2025, the Company's accounts payable and accrued liabilities totalled approximately \$11.7 million. These obligations include:
 - a) approximately \$6.3 million owing to suppliers and service providers; and
 - b) approximately \$5.4 million of accrued liabilities, including vacation pay, accrued wages, and amounts for services not yet invoiced by vendors.
2. The above amounts exclude off-balance sheet obligations, including amounts that may be owing to employees for termination and severance pay, as well as claims that may result from the termination of contracts, including real and personal property leases.
3. KSV understands that the Company is current on its sales tax and employee withholding remittances.

5.0 Cash Flow Forecast

1. The Company has prepared a Cash Flow Forecast for the period September 1, 2025 to November 9, 2025 (the "**Initial Forecast Period**"). The Cash Flow Forecast (including supporting assumptions), the Company's statutory report thereon pursuant to Section 10(2)(b) of the CCAA, and the Proposed Monitor's statutory report thereon pursuant to Section 23(1)(b) of the CCAA are provided in **Appendix "B"**.
2. The Cash Flow Forecast indicates that the Company is not forecasted to require funding during the Initial Forecast Period.
3. Based on KSV's review of the Cash Flow Forecast, the cash flow assumptions appear reasonable.

6.0 Court Ordered Charges

6.1 Administration Charge

1. The Company is seeking an Administration Charge of \$250,000 to secure the fees and expenses of the Monitor, its counsel and the Company's counsel for the period both before and after the making of the Initial Order. At the Comeback Motion, the Company may seek an increase in the Administration Charge.
2. The amount of the Administration Charge reflects the Company's illiquidity and the possibility that the Company may not be able to fully pay professionals in the ordinary course during these proceedings.

3. The Administration Charge is a customary provision in an Initial Order in a CCAA proceeding – it is required by professionals engaged to assist a debtor company and to protect them if the debtor company is unable to pay professional fees and costs.
4. The Company requires the expertise of the beneficiaries of the Administration Charge to advance these proceedings. Without the Administration Charge, the professionals covered by the Administration Charge would not be prepared to act.
5. KSV believes that the amount of the Administration Charge is reasonable, appropriate and required in the circumstances given the services to be provided by professionals involved in these proceedings and their importance to their advancement.
6. Subject to findings prior to the return of this application concerning the RBC debt issue noted in paragraph 4.1.3 above, the Administration Charge is proposed to rank in priority to all other encumbrances against the Property.

6.2 Director's Charge

1. The Company is seeking a Director's Charge in an amount to not exceed \$364,000. The amount of the Director's Charge represents the sum of one payroll cycle plus the estimated amount of the Company's vacation pay liability. The amount of the Director's Charge was estimated by the Company in consultation with KSV, taking into consideration the Company's liabilities for which its director and officers could be liable, if unpaid. The Cash Flow Forecast contemplates payroll and sales taxes will continue to be paid in the ordinary course.
2. The Company is generally, and is presently, in a refund position on sales taxes. KSV understands that the Company is current on its normal course payroll obligations (including employee withholding taxes).
3. It is intended that Mr. Ross, as the Company's CRO, would have the benefit of the Director's Charge. The Monitor is of the view that this is appropriate given Mr. Ross is the senior executive responsible for the Company's operations and its restructuring efforts. The Company may seek a specific charge for the CRO at the Comeback Hearing. The Company may also seek, if necessary, an increase in the Director's Charge at the Comeback Hearing.
4. AStar maintains a directors' and officers' policy (the "**D&O Insurance**"), which provides coverage for claims made against the directors and officers in connection with their service to the Company. The D&O Insurance is currently in effect and is expected to remain in effect throughout the proceedings.
5. It is proposed that the Director and Officers would only be entitled to the benefit of the Director's Charge to the extent that: (a) they do not have coverage under their existing insurance policies; (b) such coverage is insufficient to pay an indemnified amount as described above; or (c) such coverage is denied by the insurance provider or expires. The Director's Charge is intended to provide protection in circumstances where the D&O Insurance does not indemnify the directors and officers, whether due to exclusions, coverage limits, or other limitations.
6. KSV is of the view that the Director's Charge is reasonable in the circumstances and that the continued involvement of the Company's Director and Officers (including the CRO) is beneficial to the Company and the advancement of these proceedings.

6.3 Priority of Charges

1. The Company proposes, and the Monitor supports, the Charges have the following priority:
 - a) First, the Administration Charge; and
 - b) Second, the D&O Charge.

7.0 Creditor Notification

1. The Proposed Initial Order requires the Monitor to:
 - a) publish without delay a notice in the national edition of *The Globe and Mail* newspaper containing the information prescribed under the CCAA; and
 - b) within five days of the granting of the Initial Order:
 - i. make the Initial Order publicly available in the manner prescribed under the CCAA;
 - ii. send, in the prescribed manner, a notice to every known creditor who has a claim against the Company of more than \$1,000 advising that the order is publicly available; and
 - iii. prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder, provided that such list shall not include the names, claim amounts and addresses of any individuals who are creditors.
2. If appointed Monitor, KSV will undertake these tasks, and will also post the Initial Order and all motion materials on the case website.

8.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that the Court grant an initial order under the CCAA on the terms of the proposed Initial Order in the Company's application materials.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS PROPOSED COURT-APPOINTED MONITOR
OF NORWOOD INDUSTRIES INC.**

Appendix “A”

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NORWOOD INDUSTRIES INC.**

Applicant

MONITOR'S CONSENT

The undersigned, KSV Restructuring Inc. ("**KSV**"), hereby consents to act as Court-appointed monitor in the *Companies' Creditors Arrangement Act* proceedings Norwood Industries Inc, in connection with an order substantially in the form of the model CCAA Initial order, as such order may be amended in a manner satisfactory to KSV.

DATED at the City of Toronto, Ontario, this 3rd day of September, 2025.

KSV RESTRUCTURING INC.

Signed by:

A handwritten signature in black ink that reads "Robert Kofman". The signature is enclosed within a blue, stylized bracket-like shape that also contains the text "Signed by:" above it and a long alphanumeric string below it.

5A47C1CCA4F9445...

Per: Robert Kofman, President

**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 NORWOOD INDUSTRIES INC.**

Court File # CV-_____

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

PROCEEDING COMMENCED AT
TORONTO

MONITOR'S CONSENT

NORTON ROSE FULBRIGHT CANADA LLP

222 Bay Street, Suite 3000
Toronto, ON M5K 1E7

Jennifer Stam LSO#: 46735J

Tel: 416. 202.6707
jennifer.stam@nortonrosefulbright.com

Lauren Archibald LSO# 87151U

Tel: 416.278.3787
lauren.archibald@nortonrosefulbright.com

Lawyers for KSV Restructuring Inc., the proposed monitor

Appendix “B”

Norwood Industries Inc. (the "Applicant")

Projected Statement of Cash Flow

For the Period Ending November 9, 2025

(Unaudited; \$CAD, Thousands)

		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	
	Notes	7-Sep-25	14-Sep-25	21-Sep-25	28-Sep-25	5-Oct-25	12-Oct-25	19-Oct-25	26-Oct-25	2-Nov-25	9-Nov-25	Total
1.												
Receipts												
Net receipts	2.	666	318	266	291	250	3	-	-	3	-	1,797
Disbursements												
Operating Costs:												
Employee Costs	3.	(183)	(8)	(194)	(252)	-	-	-	-	-	-	(637)
Freight		(20)	(20)	(20)	(20)	-	-	-	-	-	-	(80)
Rent	4.	(191)	-	-	-	-	-	-	-	-	-	(191)
Operating Expenses	5.	(101)	(59)	(20)	(20)	-	-	-	-	-	-	(201)
Sales Tax	6.	(22)	(22)	(22)	(22)	-	-	-	-	-	-	(89)
Total Operating Disbursements		(518)	(110)	(257)	(315)	-	-	-	-	-	-	(1,199)
Net Cash Flow Before the Undernoted		148	209	9	(24)	250	3	-	-	3	-	598
Restructuring Costs	7.	(190)	(93)	(311)	(123)	(54)	(43)	(43)	-	-	-	(856)
Net Cash Flow		(42)	116	(302)	(146)	196	(40)	(43)	-	3	-	(257)
Opening Cash Balance		546	504	620	318	171	368	328	285	285	289	546
Net cash flow		(42)	116	(302)	(146)	196	(40)	(43)	-	3	-	(257)
Closing Total Cash Balance		504	620	318	171	368	328	285	285	289	289	289

Purpose and General Assumptions

1. The purpose of the projection is to present the Applicant's cash flow forecast for the period September 1, 2025 to November 9 2025 (the "Period") in respect of its proposed proceedings under the Companies' Creditors Arrangement Act ("CCAA").

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

Hypothetical Assumptions

2. Reflects the Applicant's estimated net collections during the Period. Assumes a transaction is completed in early October.

Probable Assumptions

3. Represents the gross payroll obligations for the Applicant's employees, as well as those who work for Norwood Enterprise Inc.
4. Represents rent payment for both Canadian & US warehouse rent for September.
5. Reflects estimated payments for general operating expenses, including digital advertising, general office, payment processing, travel, credit card payments, and other miscellaneous expenses.
6. Represents estimated US sales tax payments.
7. Reflects estimated professional fees for the Monitor, the Monitor's counsel, and the Applicant's counsel and investment banking and restructuring advisor.

**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 NORWOOD INDUSTRIES INC.**

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)

The management of Norwood Industries Inc. (the "**Applicant**") have developed the assumptions and prepared the attached statement of project cash flow as of the 8th day of September, 2025 for the period September 1st, 2025 to November 9th, 2025 ("**Cash Flow**"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicant and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual events will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 8th day of September, 2025.

Norwood Industries Inc.



Per: Gavin Moncur, Chief Financial Officer

**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 NORWOOD INDUSTRIES INC.**

**PROPOSED MONITOR'S REPORT ON CASH FLOW
STATEMENT
(paragraph 23(1)(b) of the CCAA)**

The attached consolidated statement of projected cash-flow of Norwood Industries Inc. (the "**Applicant**") as of the 8th day of September, 2025, consisting of a weekly projected cash flow statement for the period September ~~1st~~, 2025 to November ~~1st~~, 2025 (the "**Cash Flow**") has been prepared by the management of the Applicant for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management of the Applicant. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario this 8th day of September, 2025.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS PROPOSED MONITOR
OF NORWOOD INDUSTRIES INC.
AND NOT IN ITS PERSONAL CAPACITY**