Court File No.: CL-26-00000261-0000

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 PAYSTONE HOLDINGS INC., PAYSTONE INC., ATOM GROWTH INC., AND ATOM GROWTH (USA), INC.

Applicants

REPLY AFFIDAVIT OF ADAM ZALEV
(Sworn June 21, 2026)

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Applicants

REPLY AFFIDAVIT OF ADAM ZALEV
(Sworn June 21, 2026)

I, Adam Zalev, of the City of Nashville, in the State of Tennessee in the United States of America, **MAKE OATH AND SAY**:

1. I am the Founder and Managing Director of Reflect Advisors, LLC ("**Reflect**"), which, as discussed further below, is the Chief Restructuring Officer (in such capacity, the "**CRO**") of Paystone Inc. ("**Paystone**").

2. I previously swore an affidavit in these proceedings on June 5, 2026 (the "**June 5 Affidavit**"). The June 5 Affidavit was made in support of an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), by Paystone Holdings Inc., Paystone, Atom Growth Inc., and Atom Growth (USA), Inc. (collectively, the "**Applicants**" or the "**Company**"). A copy of the June 5 Affidavit, without exhibits, is attached hereto as **Exhibit "A"**. This affidavit should be read in conjunction with the June 5 Affidavit. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the June 5 Affidavit.

3. Given Reflect's role as CRO, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and I believe them to be true. I swear this affidavit in reply to the responding motion of BDC Capital Inc. ("**BDC**") dated June 19, 2026, and for no other improper purpose.

I. BACKGROUND

4. The Applicants commenced these proceedings on June 5, 2026, where they sought and obtained an Initial Order granting customary relief immediately necessary to create stability and maintain operations for the next ten days (including appointing AlixPartners Restructuring, Inc. (formerly, and at the time, KSV Restructuring Inc.) as monitor (the "**Monitor**")).

5. The June 5 Affidavit provided that, at the Comeback Hearing, the Applicants intended to seek an Approval and Vesting Order, among other things, approving an APA and Sale Transaction with 1001632600 Ontario Inc. (the "**Purchaser**"), an entity controlled by the Principals of the Applicants. The June 5 Affidavit also provided that the Applicants intended to seek an ARIO, in a nearly identical form to the Initial Order, and an Ancillary Order, granting certain related relief necessary to facilitate the closing of the Sale Transaction and the subsequent wind-up of the CCAA Proceedings. The basis for the relief sought was described in detail in the June 5 Affidavit, and the executed APA was appended thereto. The proposed form of each Order was also included in the Application Record served and filed by the Applicants on June 5. As noted therein, the relief sought was supported by the Applicants' senior secured creditor, Sandton.

6. Following discussions between the Applicants, the Monitor, and the Applicants' subordinated secured creditor, BDC, along with certain other stakeholders, the Applicants agreed to adjourn seeking the AVO and Ancillary Order at the Comeback Hearing. The Applicants instead

sought only the ARIO, which did not grant any new material relief in favour of the Applicants beyond an extension of the Stay Period to June 25, 2026. At the Comeback Hearing, the Court granted the ARIO, and scheduled the hearing for the AVO and the Ancillary Order for June 22, 2026.

7. At 4:49 p.m. on June 19, 2026, two weeks after BDC received the Applicants' application record containing the information and materials referred to in paragraph 5 above, BDC served a responding motion record seeking this Court's approval of a sale and investment solicitation process (the "**SISP**") in respect of the business and property of the Applicants. The SISP was not discussed with the Applicants, the CRO or, as I understand from Noah Goldstein of AlixPartners Restructuring, Inc., the Monitor, and appears to have been drafted by BDC without any input from the aforementioned parties. The responding motion record includes an affidavit sworn by Imran Malik, an Assistant Vice President at BDC (the "**Malik Affidavit**"), which provides the basis for BDC's opposition to the Sale Transaction. The Malik Affidavit contains significant errors, misstatements, and inaccuracies.

8. The purpose of this affidavit is to reply to certain of such errors, misstatements and inaccuracies.

9. As set out herein, the Applicants and the CRO continue to be of the view that the going concern Sale Transaction contemplated by the binding APA, which continues to be supported by the Monitor and Sandton, is the best, and only, viable path forward for the Applicants. The June 5 Affidavit sets out the basis for the relief sought by the Applicants, and I do not reiterate that information herein.

II. REPLY TO BDC'S RESPONDING MOTION RECORD

A. The Sale Transaction Remains the Only Viable Option

10. The Malik Affidavit lays out a laundry list of complaints and perceived issues as the basis for its opposition to the Sale Transaction and in support of the SISP. In my view, BDC's evidence should be seen for what it is – an effort by a clearly out-of-the-money subordinate creditor to get a free option for a second sale process to be funded, directly or indirectly, by the Applicants' fulcrum senior secured creditor (which is itself supporting a definitive, binding agreement that will result in it reducing the principal amount owing to it by over $32 million).

11. The Pre-Filing Process, which was designed in consultation with the Syndicate (comprised of sophisticated Canadian banks) and its financial advisor, Ernst & Young, resulted in a thorough canvassing of the market by Canaccord, a reputable financial advisory firm, that the Monitor views as a commercially reasonable market canvass. BDC is not satisfied. In support of its theory that the Pre-Filing Process was insufficient and that greater value could be obtained in the SISP, BDC presents a non-binding, highly conditional expression of interest ("**EOI**") and a letter of intent ("**LOI**") that have been obtained in the fourteen days since the Initial Order was granted.

12. As discussed further below, the EOI, which contains no indication of value, is from a party whose financial sponsor was contacted in the Pre-Filing Process, and declined to participate; the LOI is completely unworkable and would be highly prejudicial to the Applicants and Sandton. To the best of my knowledge, notwithstanding the public nature of these proceedings (and the apparent efforts of BDC), no other party has approached the Company, Reflect or Canaccord to express any interest in considering a transaction in respect of the Company. I continue to be of the view that it is unlikely a Court-supervised sale process would result in better value being obtained

compared to the Sale Transaction. The Monitor shares this view, as set out in its Second Report dated June 19, 2026 (the "**Second Report**").

13. BDC appears to agree. The Applicants have insufficient liquidity to continue operations past July 1, 2026, and would require DIP financing to do so. Knowing this, BDC has declined to provide DIP financing subordinate to Sandton – nor has it been able to identify any other party willing to provide financing on that basis. If BDC believed that there was value beyond the Sandton debt – which needs to be the case for BDC to be entitled to any recovery – I would have expected that BDC would have put forward a definitive, executable, junior DIP proposal. Instead, as noted in the Malik Affidavit, only on June 18 did BDC present "conditional terms of the DIP to the Monitor on a without-prejudice basis", which DIP is conditional on it ranking ahead of Sandton. BDC presents no constructive solutions, and instead asks Sandton – which has already agreed to take a very significant loss on its senior secured debt – to take the economic risk of a speculative process that even BDC appears to recognize is highly unlikely to generate incremental value.

B. Material Issues with the Malik Affidavit

14. The Malik Affidavit contains a significant amount of incorrect, incomplete, and/or misleading information. For completeness, I believe it is necessary to reply to the material issues identified below. I respond only to those matters in the Malik Affidavit that I believe to be material, and my failure to address any particular statement, allegation, characterization, or argument should not be construed as an admission of, or agreement with, same.

1. Notice

15. BDC complains that it received "no effective notice" of the CCAA filing. The Applicants do not dispute that the application for the Initial Order was brought on an effectively *ex parte* basis (as is customary in CCAA proceedings in my experience). I attended the virtual hearing for the Initial Order and recall that counsel for the Applicants advised the Court that there was no effective service on BDC and that the hearing would be treated as *ex parte*. BDC appears to allege that it was prejudiced because it was unable to appear at the initial hearing and "seek terms in the Initial Order protecting its interests". Given BDC did not oppose the nearly identical ARIO ten days later, it is unclear what terms it wished to see included.

16. BDC also asserts that it was deprived of its ability to "exercise any remedies under the Priority Agreement before the stay of proceedings took effect". This is precisely the reason that the application proceeded on an *ex parte* basis – the Applicants, acting prudently and in the best interests of the Business for the benefit of their stakeholders, needed to avoid enforcement of any remedies prior to the Initial Order.

17. Finally, BDC states that the Applicants did not provide the required notice for an application for an AVO. However, the Application Record, served on June 5, set out the basis for seeking the AVO and appended the form of Order to be sought on June 15. And as noted above, the Applicants subsequently consented to an adjournment of the hearing for the AVO to June 22. BDC will have received more than two weeks' notice.

2. Alleged Issues with the Pre-Filing Process

(a) Involvement of BDC

18. BDC takes issue with its perceived lack of involvement in the Pre-Filing Process. However, it admits that it was provided copies of certain draft marketing materials before the Pre-Filing Process formally commenced, that it was aware the Pre-Filing Process was underway, and that it received periodic updates from the Applicants and the CRO. I am advised by Brian Bacal of Canaccord, and I believe it to be true, that Canaccord offered BDC an opportunity to provide the name of any party that it would like contacted pursuant to that process, but that BDC declined to do so. That information is omitted from the Malik Affidavit.

19. It is accurate, as noted in the Malik Affidavit, that BDC was not aware of, or involved in, the negotiations with Sandton, or the review of the Term Sheets. In my experience, it is not common (or advisable) for a subordinate, out-of-the-money creditor to be involved in such discussions. As described in detail in my June 5 Affidavit, the offer from Sandton, which was superior to the Term Sheets, resulted in the Syndicate taking a very material loss. It was therefore clear to all that BDC had no economic interest. There was no basis for BDC to be involved in these discussions from the Applicants' perspective.

20. I am informed by Tarique Al-Ansari, the co-founder and Chief Executive Officer of the Applicants, and believe it to be true, that, following Mr. Malik's discussion with Darcy Eveleigh on May 11, 2026, Mr. Malik called Mr. Al-Ansari to express his view that Sandton had "overpaid" for the senior secured debt. I am informed by Darcy Eveleigh, a Senior Director at Reflect, and believe it to be true, that in the course of the Pre-Filing Process, Mr. Malik told him on calls that

he expected that the Pre-Filing Process would result in offers in the $30 million range. This information is not disclosed in the Malik Affidavit.

(b) The Agent's Role and the Agreement with Sandton

21. Mr. Malik states that he was told that "Sandton had been brought forward by the Agent". This is incorrect. As I stated in the June 5 Affidavit, Sandton's proposal was first received by the CRO, which was overseeing the Pre-Filing Process in accordance with the Syndicate Forbearance Agreement. I also note that the Second Report indicates that the Syndicate was involved in discussions with Sandton starting in January 2026 – in fact, the Syndicate was not aware of the discussions between the CRO, the Applicants and Sandton until March 2026.

22. I understand from the Applicants' counsel that the Agent has identified several other inaccuracies with the Malik Affidavit, which were provided by email to the Applicants' counsel and to the Monitor. I understand that the Monitor has indicated it will include this information in a supplemental Report.

23. BDC has also questioned why an auction was not run in the Pre-Filing Process. As has been explained to BDC, the Term Sheets were non-binding, subject to diligence, and of a lower value than the offer from Sandton. While all value-maximizing options were considered, these were not circumstances where an auction would have been useful or appropriate.

24. BDC also baldly asserts that the Syndicate "pre-emptively" accepted the proposal from Sandton without allowing the Pre-Filing Process to reach a competitive conclusion. This is incorrect. As stated in my June 5 Affidavit, the Syndicate only entered into a definitive agreement with Sandton after the Applicants and the Syndicate had reviewed the results of the first phase of

the Pre-Filing Process (including the four Term Sheets obtained thereunder) and determined that better value would be achieved under the Loan Purchase Agreement.

(c) Parties Contacted

25. BDC states that "other interested parties reached out to BDC during the process". The only party that BDC identifies is Steve Levely. As was disclosed to BDC (in response to its written questions, which were promptly responded to by the Applicants), Mr. Levely was not contacted given his company, Shopley, is a competing startup that was deemed too small to reasonably be expected to submit a meaningful offer capable of being executed on. I am advised by Abduallah Saab, co-founder and Chief Financial Officer of the Applicants, and believe it to be true, that Mr. Saab was previously advised by Mr. Levely that Shopley has approximately 9 employees and approximately $2 million of annual revenue. By comparison, the Applicants have approximately 118 employees and approximately $60 million of annual revenue. Furthermore, Shopley's website references it having 300 customers. By comparison, the Applicants have in excess of 38,000 customers. The LOI indicates an enterprise value of the combined Shopley/Company business, without substantiation, of $125 million. Given what I know about both the Applicants and Shopley, that valuation appears preposterous.

26. In the fourteen days that have followed the Initial Order, Mr. Malik states that he has "been in contact with several parties that are interested in putting in bids for certain Paystone assets" and that "BDC has also identified a number of strategic buyers that were excluded from the Pre-Filing Process". BDC's efforts have generated a non-binding, highly conditional EOI and LOI, respectively, each of which is discussed below. No other such parties have contacted the Applicants, the CRO or Canaccord, notwithstanding the public nature of these proceedings.

27. The EOI was submitted by Valsoft Corporation Inc. ("**Valsoft**"). As was disclosed to BDC in response to its written questions, Valsoft's private equity sponsor, Viking Global, was contacted in the Pre-Filing Process and chose not to participate in the Pre-Filing Process – nor did it indicate interest on behalf of any of its portfolio companies. The EOI provides no indication of value, and is not close to a definitive agreement that could be executed. In my experience, it is not unusual for a sale advisor to contact an equity sponsor on behalf of itself and its various portfolio companies, rather than contacting each portfolio company directly.

28. The LOI was submitted by Shopley. There are many material issues with Shopley's LOI. The acceptance of the non-binding, highly conditional, vague "offer" presented in the LOI (which, among other things, did not include an upfront deposit, did not offer interim funding, was seemingly predicated on "vending into" the Shopley business at an unsubstantiated and unreasonable valuation, and required exclusivity from the Applicants) would put the Applicants in a materially worse position than they are in today. The LOI was not acceptable to Sandton. Counsel to the Applicants outlined the Applicants' concerns with Shopley's LOI in greater detail in a letter sent to Shopley on June 21, 2026. A copy of that letter is attached hereto as **Exhibit "B"**.

29. Both of these offers are inferior to the Sale Transaction, which is supported by the Monitor and Sandton. I note that, in its Second Report, the Monitor states that "a Court-supervised sale process would not reasonably be expected to produce a transaction, or transactions that would in aggregate be, superior to the Sale Transaction in the circumstances or otherwise improve recoveries for stakeholders". The Applicants and I share this view, which is reinforced by the two inferior offers presented by BDC.

3. Issues With the Cash Flow Forecast

30. BDC appears to question the Applicants' liquidity crisis by pointing to a thirteen-week cash flow forecast prepared in May 2026 that did not contemplate a CCAA filing, or the costs (including professional fees) that would be incurred in connection therewith. Even under that non-CCAA cash flow forecast, it is clear that liquidity was extremely tight – and, as BDC then knew, the Applicants were in default under their senior credit agreement and their agreement with BDC (among others). As BDC should also be aware, the closing cash balance of $3.3 million referenced in the Malik Affidavit was temporary, as approximately $3.2 million would need to be remitted to Paystone's main supplier the following week.

31. More importantly, the information in the May cash flow forecast is, of course, stale. The Monitor has included the Applicants' latest cash flow forecast in its Second Report. As noted in the Second Report, the Bank of Nova Scotia (which is the Applicants' billing provider) has advised the Monitor that, due to concerns regarding its exposure to potential customer chargebacks during the CCAA proceedings, as of July 2, 2026, it would require, among other things, additional cash collateral in the likely amount of at least $5 million starting on July 2, 2026. That $5 million is not included in the closing cash balances of the cash flow forecast, and, if the CCAA Proceedings were extended to run the SISP, the Applicants do not have a solution for the Bank of Nova Scotia's request, which is incremental to the operating cash the Applicants require in accordance with the cash flow forecast.

4. Issues Ascribing Value to the Sale Transaction

32. Mr. Malik states that, because BDC has not been provided the completed schedules to the APA (i.e., Schedule D (Assigned Contracts) and Schedule E (Excluded Assets)), it is missing

critical information for assessing whether adequate value has been provided for Paystone's assets and various business lines. Based on this statement, I believe BDC fundamentally misunderstands the APA. As noted in the June 5 Affidavit, the Purchaser intends to acquire all of the material assets of the Business. The APA contemplates the acquisition of all Contracts *including* the Assigned Contracts identified in Schedule D, and all assets *except for* the Excluded Assets identified in Schedule E. In other words, it is only possible at this juncture that assets will be carved out of the APA, without any impact on the purchase price. While the parties continue to work on the Schedules (which, under the APA, can be delivered prior to closing), BDC has all of the information it needs to understand value – and has since June 5.

33. Moreover, BDC is unfortunately not close to being "in the money". There would need to be at least $32.5 million more value realized before BDC may see any recovery.

5. BDC Provides No Workable Alternatives

34. Finally, as noted above, BDC has not offered to submit a junior DIP, nor has it identified any party willing to do so. I understand from Robert Rice of Sandton that Sandton is unwilling to be primed by any DIP financing. BDC's unwillingness to provide a junior DIP is telling of its views with respect to the likelihood of recovery. Furthermore, Mr. Rice has advised me that Sandton is not willing to compromise on amounts owed to it in any manner whatsoever (other than in connection with the Sale Transaction), nor is it prepared to permit the Company to operate with a management team different than the team for which it performed its underwriting.

35. Further, BDC's without prejudice offer is to provide a $2 million priming DIP; the other without prejudice, conditional DIP offer from Aggregated Investments Inc. (which is also not prepared to offer a subordinated DIP loan) is for a $5 million priming DIP. Aside from the issue

of ranking, neither amount is sufficient to fund the contemplated SISP, which assumes Court approval will be sought on July 31, 2026 and closing will occur by August 31, 2026, given the amount required to be cash collateralized with the Bank of Nova Scotia.

C. Next Steps

36. BDC has indicated that it would like an opportunity to discuss a potential resolution with the Applicants. This was a surprise to me, particularly given BDC cancelled a scheduled post-filing meeting with the CRO, and I understand from Mr. Al-Ansari that his offer for a discussion with Mr. Malik has gone unanswered. The Applicants would be very happy to reach a consensual resolution that is reflective of the economic and commercial reality. The Applicants have remained open to discussion with BDC since these proceedings were commenced, and have attempted to work cooperatively with BDC, including by consenting to an adjournment and diligently responding to their broad and expansive information requests. Counsel to the Applicants contacted counsel to BDC (on a without prejudice basis) at 12:24pm on June 20, 2026 to organize a discussion. The email from the Applicants' counsel, along with the correspondence that followed it, is attached as Exhibit "C". As of the time this affidavit is sworn, BDC (as opposed to its counsel) has not made itself available for a discussion.

III. CONCLUSION

37. For all of the reasons set out above, the relief sought by BDC should be dismissed and, for the reasons described herein and in the June 5 Affidavit and the Second Report of the Monitor, the AVO (and Ancillary Order) should be granted. The Sale Transaction is the only executable transaction before the Court – now over two weeks after the CCAA Proceedings were commenced. It is supported by the Monitor and Sandton (the fulcrum creditor), preserves the Business as a

going concern, and avoids the material prejudice and execution risk associated with BDC's proposed SISP.

38. By contrast, BDC has not identified any viable alternative transaction or sufficient funding to support the process it seeks, and its responding motion is premised on incorrect, incomplete, and misleading evidence. In the circumstances, I believe that granting the AVO is the best available path to maximize value, preserve stability, and protect the interests of the Applicants' stakeholders. I therefore respectfully request that the Court grant the relief sought by the Applicants.

SWORN REMOTELY by Adam Zalev, stated as being located in the City of Nashville, in the State of Tennessee, in the United States of America, before me at the City of Toronto, in the Province of Ontario, on June 21, 2026, remotely via videoconference in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

D89351A6922C47B...

Thomas Gray
A Commissioner for Taking Affidavits in and for the Province of Ontario

Adam Zalev

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT
OF ADAM ZALEV, SWORN BEFORE ME
THIS 21ST DAY OF JUNE, 2026.

THOMAS GRAY
A Commissioner for taking Affidavits
(or as may be)

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AFFIDAVIT OF ADAM ZALEV
(Sworn June 5, 2026)

I, Adam Zalev, of the City of Nashville, in the State of Tennessee in the United States of America, **MAKE OATH AND SAY**:

1. This affidavit is made in support of an application by Paystone Holdings Inc. ("**Paystone Holdings**"), Paystone Inc. ("**Paystone**"), Atom Growth Inc. ("**Atom Growth Canada**"), and Atom Growth (USA), Inc. ("**Atom Growth USA**") (collectively, the "**Applicants**" or the "**Company**").

2. I am the Founder and Managing Director of Reflect Advisors, LLC ("**Reflect**"), which, as discussed further below, is the Chief Restructuring Officer (in such capacity, the "**CRO**") of Paystone. As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and I believe them to be true.

3. Reflect is a boutique restructuring and advisory practice, headquartered in Nashville, Tennessee and with offices in Toronto and New York. Prior to founding Reflect in 2023, I was a

Senior Managing Director of FTI Capital Advisors in Toronto, the Special Situations Investment Banking Practice of FTI Consulting Inc. where I co-led that practice for more than six years. Prior to that I was a Managing Director of Alvarez & Marsal in Toronto where I was deeply involved in that firm's investment banking and restructuring practices for more than ten years.

4. All references to currency in this affidavit are in Canadian dollars unless noted otherwise.

I. RELIEF REQUESTED

5. I swear this affidavit in support of an Application brought by the Applicants for an Order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**", and these proceedings, the "**CCAA Proceedings**"), among other things:

(a) declaring that the Applicants are companies to which the CCAA applies;

(b) appointing KSV Restructuring Inc. ("**KSV**", or in its capacity as the proposed monitor of the Applicants, the "**Proposed Monitor**") as an officer of the Court to monitor the assets, business and affairs of the Applicants (once appointed in such capacity, the "**Monitor**");

(c) staying, for an initial period of not more than ten (10) days (the "**Initial Stay Period**"), all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the Directors and Officers (as defined below), or affecting the Applicants' business or the Property (as defined below), except with the written consent of the Applicants and the Monitor, or with leave of the Court (the "**Stay of Proceedings**");

(d) approving the Applicants' ability to pay certain limited pre-filing amounts with the consent of the Monitor; and

(e) granting the Administration Charge (as defined below) with respect to the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**").

6. If the proposed Initial Order is granted, the Applicants intend to return to Court ten (10) days following the date of the Initial Order (the "**Comeback Hearing**") to seek approval of the following Orders:

(a) an Amended and Restated Initial Order (the "**ARIO**"), which would, among other things:

(i) extend the Initial Stay Period to and including June 26, 2026, or, in the event the Monitor's Certificate (as defined below) is delivered on or prior to that date, to and including August 15, 2026 (the "**Stay Period**"); and

(ii) seek such other customary relief as may be required to advance the Applicants' restructuring;

(b) an Approval and Vesting Order (the "**AVO**"), which would, among other things:

(i) approve an asset purchase agreement dated June 5, 2026 (the "**APA**", and the transaction contemplated therein, the "**Sale Transaction**") between 1001632600 Ontario Inc. (the "**Purchaser**"), as purchaser, and the

Applicants, as vendors, with such minor amendments as the Applicants and the Purchaser may deem necessary, with the consent of the Monitor;

(ii) authorize and direct the Applicants and the Purchaser to take such steps and actions necessary to complete the Sale Transaction;

(iii) upon delivery of the certificate of the Monitor in the form appended thereto (the "**Monitor's Certificate**"), vest the Purchased Assets (as defined therein) in the Purchaser, free and clear of and from any encumbrances; and

(iv) grant certain Releases (as defined below) with respect to the Released Parties (as defined in the AVO);

(c) an Order (the "**Ancillary Order**"), which would, among other things:

(i) seal the confidential appendices to the first report of the Monitor, to be filed, pending closing of the Sale Transaction;

(ii) upon closing of the Sale Transaction, authorize and empower the Monitor to exercise enhanced powers in respect of the Applicants, to allow it to take all actions required to facilitate the administration of the Applicants for the remainder of these proceedings, and providing certain protections to the Monitor in connection therewith; and

(iii) approve the Monitor to hold a reserve in the amount of $226,000, to be used to fund any remaining administrative matters in these CCAA Proceedings (the "**Wind-Up Reserve**").

II. OVERVIEW

7. The Applicants, primarily through their operating company Paystone (which is controlled by Paystone Holdings, the ultimate parent company to each of the other Applicants) are in the fintech and software industry. The Company's business (the "**Business**") provides an all-in-one payment processing and customer engagement platform for small and medium-sized businesses. The Applicants serve approximately 38,000 customers across Canada and the United States (the "**US**") and have approximately 118 direct employees (as well as various offshore contractors).

8. The Applicants are insolvent on a balance-sheet basis and unable to pay their liabilities as they become due. They seek these CCAA Proceedings to obtain the limited breathing space required to preserve operations and protect going-concern value while completing an orderly restructuring transaction on an expedited basis to minimize disruption for customers and other stakeholders. That transaction is the best available path to right-size the Company's balance sheet, maintain critical goodwill with the Company's stakeholders and preserve a viable go-forward business for all parties' benefit. While that transaction is discussed herein, no relief whatsoever is being sought in connection with it at this time.

9. This application is supported by Sandton Investments X (Luxembourg) S.à r.l. ("**Sandton**"), which, pursuant to the recently completed Loan Purchase Transaction (as defined below), is the senior secured lender to the Applicants. Prior to the completion of the Loan Purchase Transaction, the Applicants were party to a Senior Credit Agreement (as defined below) with the National Bank of Canada, as agent ("**National Bank**" and, in such capacity, the "**Agent**"), on behalf of a syndicate of banks as lenders (collectively, the "**Syndicate**"). As described in more detail below, the Loan Purchase Transaction followed a period of sustained financial pressure on

the Applicants, and an acute liquidity crisis caused principally by a significant billing error that arose after Paystone transitioned its billing systems between banks in April 2025. That error directly and indirectly led to a series of defaults under the Senior Credit Agreement.

10. Following the billing error, the Applicants worked closely with the Syndicate to address the resulting defaults and stabilize the Business. In consultation with the Syndicate, Paystone engaged Canaccord Genuity Corp. ("**Canaccord**") on September 5, 2025 to provide certain financial advisory services, including conducting a sale and marketing process in respect of the Company's Business and Property to solicit either a sale transaction or a debt or equity financing transaction (the "**Pre-Filing Process**"), with a view to repaying the Syndicate. In addition, on October 14, 2025, Paystone engaged Reflect as CRO to, among other things, supervise and assist in overseeing the Pre-Filing Process, assist management in negotiations with the Syndicate and other stakeholders, and support financial reporting, cost cutting, and financial planning. Reflect continues to act as Paystone's CRO.

11. The Applicants remained in default under the Senior Credit Agreement following the billing error. On December 22, 2025, the Agent delivered demand letters and Notices of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**", and those notices, the "**BIA Notices**"). Through a series of extensions, the Syndicate agreed to defer enforcement, and on February 11, 2026, the Syndicate and the Obligors under the Senior Credit Facilities (each as defined below) entered into a comprehensive forbearance agreement (as amended, the "**Syndicate Forbearance Agreement**") to permit additional time for Canaccord to conduct the Pre-Filing Process and the Applicants to pursue a potential value-maximizing outcome.

12. The Pre-Filing Process was conducted by Canaccord, with supervision and oversight from the CRO, in February and March 2026. As discussed further herein, Canaccord thoroughly canvassed the market and ultimately received four non-binding term sheet proposals from parties prepared to act as go-forward lenders to the Applicants. Each contemplated repayment of a material portion of the debt owing to the Syndicate, but also would have required a very significant discount to be taken by the Syndicate. Each term sheet was presented to and considered by the Syndicate, the Applicants, and the CRO. No proposals were submitted to acquire the equity of the Company.

13. Separate and apart from the Pre-Filing Process, the CRO received a proposal from Sandton to acquire the obligations owing under the Senior Credit Facilities. At that time, more than $92 million was owing to the Syndicate.

14. Sandton's proposal was economically superior to the proposals generated by the Pre-Filing Process, and was far less conditional. Accordingly, the Syndicate and the Applicants agreed to pursue Sandton's proposal. Following weeks of negotiations among the Applicants, the CRO, the Syndicate, Sandton, and their respective advisors and legal counsel, Sandton purchased the obligations owing to the Syndicate under the Senior Credit Facilities on May 8, 2026 and agreed to forbear from enforcement pursuant to the Loan Purchase Agreement and the Sandton Forbearance Agreement (each as defined below). The Syndicate took a discount of more than half of the principal amount then owing by the Obligors.

15. The Loan Purchase Transaction offered the Applicants a chance to materially improve their capital structure in the future. Among other things, the Sandton Forbearance Agreement extends the maturity date under the Senior Credit Facilities from December 31, 2027 to May 8, 2028, at

which time the obligations owing thereunder will become due. Absent specified defaults by the Obligors, Paystone will receive a discount of more than $35 million on the amount otherwise owing at maturity.

16. However, the Applicants remain unable to pay their subordinate secured debt and various unsecured and trade debt as they come due. In particular, the Applicants are in default of their obligations owing to their subordinate secured creditor, BDC Capital Inc. ("**BDC**"), which, as discussed further below, has demanded repayment, and the Applicants have failed to pay interest when due pursuant to the terms of their funded unsecured debt. They also remain vulnerable to enforcement if defaults arise under the Sandton Forbearance Agreement. In these circumstances, court-supervised protection under the CCAA is immediately necessary to preserve stability, maintain operations, and, following the Comeback Hearing, implement the proposed Sale Transaction.

17. At the Comeback Hearing, the Applicants intend to seek the AVO, which would approve the Sale Transaction. Pursuant to the Sale Transaction, the Applicants' material assets would be transferred to the Purchaser, an entity controlled by the Principals (as defined below), free and clear of all claims and encumbrances pursuant to the AVO. In exchange, the Purchaser will make a cash payment to the Applicants of an amount equal to the amount necessary to satisfy the Priority Payables (as defined in the APA) and fund the Wind-Up Reserve. In connection with the Sale Transaction, the Purchaser and Sandton will enter into a new credit agreement (the "**New Credit Agreement**"), under which the principal amount owing to Sandton will be permanently reduced from over $92 million to $60 million.

18. If approved, the Sale Transaction will significantly reduce the senior debt burden, while eliminating the subordinate debt that the Applicants are currently unable to pay and has been demonstrated by way of the Pre-Filing Process to be out of the money. The relief sought would therefore allow the Business to continue on a recapitalized, stable, and viable basis. This would preserve the Business as a going concern for the benefit of customers, vendors, and the Applicants' approximately 118 employees, substantially all of whom are expected to be offered employment by the Purchaser.

19. The expedited approval of the Sale Transaction is necessary and appropriate in the circumstances. Most importantly, this will allow for a steady and efficient transition of the Applicants' Business, which will minimize any disruption and potential loss of customers (who have very few barriers to switching providers). The timeline will also allow the Applicants to conclude the Sale Transaction without the need for further third-party funding, which has not presently been obtained. Absent additional funding being obtained, the Applicants are only expected to be able to continue ordinary course operations, while also funding the costs of these CCAA Proceedings, until June 30, 2026. The Applicants do not have additional funding available to them and it is my understanding that Sandton is not willing to provide incremental financing in these proceedings.

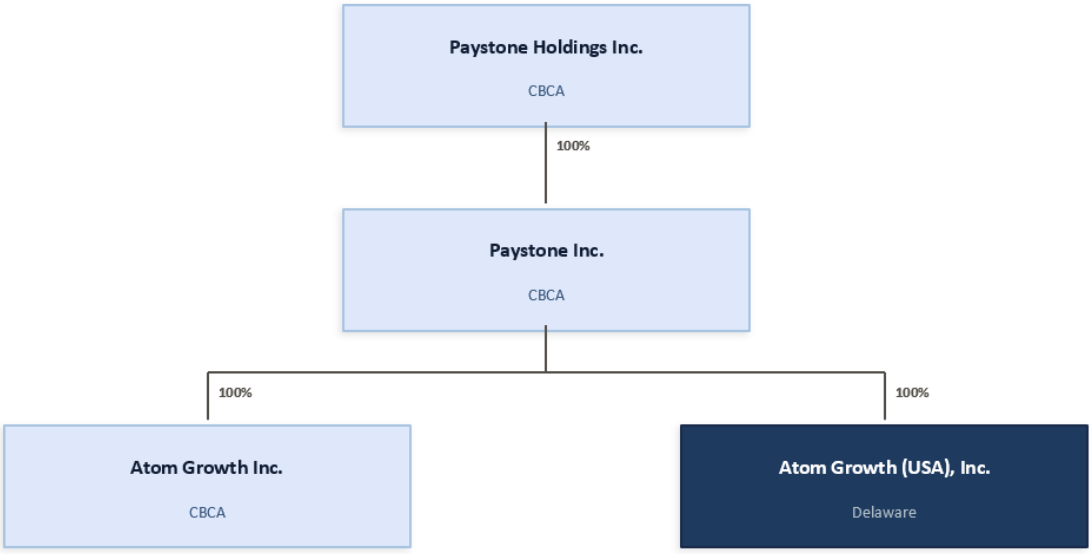
20. The Applicants also intend to seek approval of the Ancillary Order at the Comeback Hearing. The Ancillary Order would grant relief ancillary to the AVO, including enhancing the Monitor's powers following the closing of the Sale Transaction to allow it to complete an orderly wind-up of the CCAA Proceedings; approving a reserve to be held by the Monitor to fund such activities; and sealing certain confidential information that will be filed with the Court in connection with the Sale Transaction.

21. Finally, the Applicants intend to seek approval of the ARIO at the Comeback Hearing to extend the Stay of Proceedings for the short period needed to close the Sale Transaction and complete an orderly administrative wind-up. The proposed ARIO otherwise grants customary relief as required.

22. Based on my substantial experience, in my view, these CCAA Proceedings are the best available means of preserving going-concern value and achieving an orderly resolution of the Applicants' financial difficulties. The relief sought in the Initial Order is limited to what is necessary to stabilize the Business in the immediate term. The relief to be sought at the Comeback Hearing will authorize the implementation of a transaction that follows a comprehensive canvassing of the market and that, based on my experience and in my view, is superior to any reasonably available alternative. Reflect closely supervised the Pre-Filing Process in all respects. Without that relief, the Applicants face serious risk of operational disruption or failure, value erosion, and stakeholder prejudice. With it, the Business can continue as a going concern for the benefit of employees and other stakeholders, including the Applicants' more than 38,000 small to medium size business customers who depend on the services provided by the Applicants. I therefore believe the relief to be sought at both hearings is necessary and appropriate in the circumstances. For greater certainty, as noted above, no relief is being sought at this time in respect of the Sale Transaction.

III. CORPORATE STRUCTURE OF THE COMPANY

23. A summary of the Company's corporate organizational structure is provided below:



24. Paystone largely carries on its business in Canada – it has customers across the country, with a focus on Ontario, Quebec, British Columbia, and Alberta. It has also recently worked to expand its business to the US, where it currently serves customers across various states.

25. For the purpose of this affidavit and for greater certainty, all references to the Applicants include each of their predecessor entities, as applicable.

A. Paystone Holdings Inc.

26. Paystone Holdings was incorporated on December 9, 2020 pursuant to the *Canada Business Corporations Act* (the "**CBCA**"). The Company's registered office is 509 Commissioners Road West, Unit 434, London, Ontario, which it uses solely as its mailing address (the "**Registered Office**").

27. Paystone Holdings, as the sole owner of Paystone, is the parent company in the Company's corporate structure, and is controlled by Tarique Al-Ansari and Abdullah Saab (the "**Principals**").

Since its incorporation, Paystone Holdings has functioned solely as a holding company, and does not itself carry on any business or operations. A copy of the corporate profile report for Paystone Holdings is attached as **Exhibit "A"**.

B. Paystone Inc.

28. Paystone was formed on January 1, 2020 pursuant to an amalgamation of several existing corporations, including Zomaron Inc. ("**Zomaron**"), the entity which had previously carried on Paystone's core business of payment processing. Following subsequent amalgamations, Paystone became a CBCA corporation on January 1, 2024. Paystone's registered head office is the Registered Office. The Company's operations are largely virtual – it also uses 3200 Wonderland Road South, London, Ontario (the "**London Office**") as an optional workspace for Paystone employees based in London who wish to work from an office.

29. Paystone is the primary operating entity for the Company. Paystone operates the Payment Processing business line (as defined below), the Company's original and primary business line – it is also the employer of all of the Company's 118 employees. It is the sole owner of each of Atom Growth Canada (through which the Company's other business lines are operated) and Atom Growth USA. A copy of Paystone's corporate profile report is attached as **Exhibit "B"**.

C. Atom Growth Inc.

30. Atom Growth Canada was incorporated on March 31, 2025 pursuant to the CBCA. Its registered head office is the Registered Office. Atom Growth Canada was formed to acquire Ackroo and to facilitate the Ackroo Acquisition (each as defined and discussed further below). Following that acquisition, Atom Growth Canada operates the Gift Card & Loyalty and Reputation

Marketing business lines (each as defined and discussed further below). A copy of the corporate profile report for Atom Growth Canada is attached as **Exhibit "C"**.

D. Atom Growth (USA), Inc.

31. Atom Growth USA was incorporated on June 14, 2024 pursuant to the laws of the State of Delaware in the US. Its registered agent maintains an office at 1209 Orange Street, Wilmington, Delaware, but its principal place of business is identified as London, Ontario, and as noted above, it is wholly controlled by Paystone. A copy of the corporate profile report for Atom Growth USA is attached as **Exhibit "D"**.

32. Atom Growth USA was incorporated to facilitate the Company's ongoing efforts to complete the applications and registrations required to expand the Business into the United States and engage with American banks as a merchant service provider ("**MSP**"). Atom Growth USA has negligible assets or liabilities, and has no employees or business operations.

33. Atom Growth USA has provided retainers to certain professionals in Canada.

IV. BUSINESS OF THE APPLICANTS

34. The following is a summary of the Applicants' Business. Given that Reflect was engaged as CRO as of October 2025, my understanding of the information below is based on discussions with, and information provided by, the Principals.

A. The Company's Business

35. The Company's operations are focused on providing customers with specialized products and services across its three primary business lines:

(a) payment solutions and payment processing ("**Payment Processing**");

(b) loyalty, gift card and customer engagement programs ("**Gift Card & Loyalty**"); and

(c) marketing, reputation and customer growth software ("**Reputation Marketing**").

36. Paystone's approximately 38,000 customers, the majority of which are based in Canada, are primarily service-based small and medium sized businesses. This customer base consists largely of customers in four main industries – hospitality, automotive, healthcare and wellness, and general service-based businesses. In its last 12 months of operations, the Company has processed over 50 million transactions, representing over $7 billion in "gross merchant volume" (i.e., total transaction value) in that time period.

37. The Company's revenues are driven by payment processing fees charged to customers as part of its Payment Processing business line, as well as recurring software subscription fees (calculated as a percentage of transaction volume) across its Gift Card & Loyalty and Reputation Marketing platforms. Further background on the history of the Company's business and its primary business lines follows below.

1. History of the Business and Expansion through Acquisitions

38. The Company's business began in 2009 in London, Ontario with the founding of Zomaron by the Principals. Initially, Zomaron focused purely on the Payment Processing business line, which remains the Company's largest business line today. In 2013, Zomaron was among the first Canadian companies to introduce near-field communication (i.e., "tap") transactions. The

Company's business continued to grow – in 2015, Zomaron had processed over $1 billion in gross merchant volume across the merchants in its portfolio, and by 2017, Zomaron became one of Canada's leading card-present payment processors.

39. Beginning in 2019, the Company embarked on a series of strategic acquisitions to further its Payment Processing business line, and to build an integrated platform that would be rebranded from "Zomaron" to "Paystone" and include the Gift Card & Loyalty and Reputation Marketing business lines. Through an amalgamation, Zomaron acquired POS West Ltd., a merchant services provider focused on serving customers in western Canada. Paystone was itself ultimately formed through an amalgamation of Zomaron and several entities that together carried on the business marketed as "**DataCandy**", which operated a leading gift card and loyalty platform. Through an asset purchase transaction, Paystone also acquired NXGEN Canada, an "Independent Sales Organization" (i.e., a third-party company authorized to sell or lease payment processing services on behalf of banks and card networks). These acquisitions significantly expanded Paystone's customer base.

40. In order to continue its growth through additional strategic acquisitions, the Company required further capital. In early 2021, National Bank agreed to provide a credit facility (the "**National Bank Credit Facility**") to the Company, the proceeds of which were used to refinance an approximately $45 million loan owing to the Company's prior lender. As a result of the Company's rapid growth, the National Bank Credit Facility was subsequently restructured into a syndicated loan that included certain additional bank lenders in December of 2021, and subsequently into the Senior Credit Facilities offered by the Syndicate as described above.

41. In 2021 and 2022, the Company completed further acquisitions funded, in whole or in part, through the National Bank Credit Facility, including NiceJob Inc. ("**NiceJob**"), a leading reputation marketing platform for service businesses that was amalgamated into Paystone, and Canadian Payment Services, a then-competitor in the merchant services space, which was acquired through an asset purchase transaction. The Company also pursued the acquisition of multiple US-based businesses; however, despite significant time, resources, and funds being invested, these transactions were ultimately not completed.

42. While Paystone's rapid growth resulted in a significant expansion of its customer base, these acquisitions, together with the aborted US transactions and rapidly rising interest rates, required substantial spending in the short term and increased costs in the long term. Given the strain on the Company's liquidity, the Company required certain accommodations from National Bank and its then-other bank lenders, and principal repayments were temporarily deferred pursuant to an amending agreement executed December 8, 2023. The Company also obtained subordinate funding from BDC pursuant to the BDC Loan (as defined below) in January 2024, a portion of which was used to repay certain amounts under the Senior Credit Facilities.

43. Despite facing liquidity pressure, the Company continued to strategically expand the Business. Most recently, on March 31, 2025, Paystone, through Atom Growth Canada, closed a go-private takeover of Hamilton-based Ackroo Inc. ("**Ackroo**", and that acquisition, the "**Ackroo Acquisition**"), a provider of gift card, loyalty marketing, payments, and point-of-sale technology, which expanded the Company's client base to over 38,000 merchant locations. Ackroo subsequently completed an amalgamation with Atom Growth Canada. The Senior Credit Agreement was entered into to add a new bank lender to fund this transaction, and the Ackroo Acquisition was ultimately largely funded using the Senior Credit Facilities.

2. Payment Processing

44. The Company's Payment Processing business line provides both physical and virtual payment processing solutions for merchants across Canada and the US. Physical payment processing solutions include hardware payment terminals and card readers which allow merchants to accept in-person payments via credit card, debit card, or contactless payments. Virtual payment processing solutions include software that enables merchants to process credit card payments via computer or phone, without needing physical hardware.

45. As noted above, Payment Processing is the Company's core and original business line, and accounts for the majority of its operations and revenue, as well as the bulk of its 38,000 customers. Given the nature of Paystone's business and the specialized real-time solutions that it offers, the Payment Processing business requires reliable and uninterrupted service from its vendors, including banks who connect the Company to their Visa and Mastercard network. Conversely, seamless operations and continuity of service are baseline expectations of Paystone's customers. Service interruptions in payment processing – which would leave customers unable to process payments – can be particularly detrimental for small or medium-sized businesses (which form the backbone of Paystone's customers). Smooth ongoing operations are therefore critical to the Payment Processing business line, as any disruption risks the permanent loss of customers to providers that are perceived as more reliable.

3. Loyalty, Gift Card & Customer Engagement

46. The Gift Card & Loyalty business line began with the Company's acquisition of DataCandy in 2019. The Company continues to operate this business line using the DataCandy brand, through which it provides software that enables merchants to issue branded gift cards

(physical or digital), manage customer balances, and integrate loyalty rewards directly into payment processing.

47. The Company's Gift Card & Loyalty business line is, in simple terms, a virtual "ledger" of all of a merchant's data regarding its gift cards and loyalty points. The software permits a merchant to confirm gift card and loyalty point balances, and holds relevant information and transaction history for the customer.

4. Reputation Marketing

48. Finally, the Company's Reputation Marketing business line began with its acquisition of NiceJob in 2021. Through the NiceJob brand, which it continues to use, the Company provides a platform that assists merchants with online review generation, referral programs, and automated customer engagement campaigns. The software offered by the Company enables businesses to prompt customers to leave a review, and facilitates customers' ability to share reviews on social media and other online platforms.

B. Employees, Payroll, and Sales Agents

49. As of May 29, 2026, the Company has approximately 118 employees with various roles, including, among others: billing managers, customer service agents, technical support specialists, software engineers, data engineers, product managers, and administrative staff. The Company's employees, all of which are employed by Paystone, are located in Canada. All of the employees are salaried, and 115 work on a full-time basis, with the remaining three working on a part-time basis. A chart summarizing the jurisdictions of employment is set out below:

Alberta	British Columbia	New Brunswick	Nova Scotia	Ontario	Quebec	Sask
11	10	1	1	66	28	1

50. The Company also engages third-party entities that are responsible for contracting with a staff of international contractors, who are not employed by the Company but provide various services for the Business.

51. I understand that employees are paid bi-monthly in arrears, and that none of the employees are unionized or otherwise subject to a collective bargaining agreement in connection with their employment with the Company.

52. The Company does not sponsor, administer or otherwise have any registered or unregistered pension plans for any employees. The Company sponsors a standard group benefit plan to employees that covers extended health care, dental care, life insurance, and accidental death and dismemberment insurance. The Company is current on its payroll and source deductions.

53. In addition to its direct employees and the third-party contractors referenced above, the Company also relies on more than 100 independent sales agents (the "**Sales Agents**") – which are not employees of the Company – to source new merchants and clients. Pursuant to their agreements with the Company, Sales Agents are incentivized to refer clients and secure new business. Sales Agents are a critical part of the Business due to their direct engagement with merchants, including through door-to-door marketing and other channels. When a Sales Agent secures a new customer, the Company pays them an up-front commission, as well as an ongoing residual calculated based on the lifetime value of the referred client. Sales Agents are also paid a recurring monthly fee in addition to any commission.

C. Real Property

54. The Applicants do not currently own any real property. The Company's operations are almost entirely remote.

55. As noted above, the Registered Office functions purely as a mailing address, and there is no associated leased premises. However, the Company currently maintains a month-to-month sublease arrangement in respect of the London Office with a landlord (the "**London Landlord**"). These leased premises are used to offer a physical workspace to London-based employees. The Applicants pay the London Landlord approximately $7,000 per month under this arrangement.

56. As part of the Ackroo Acquisition, the Company assumed a lease (the "**Ackroo Lease**") for the property located at 1266 South Service Rd., Hamilton, Ontario. The unit has been vacant for a significant period of time and there is currently approximately $1.8 million in arrears under the Ackroo Lease. The landlord under the Ackroo Lease has delivered a letter to Paystone demanding payment of the unpaid rental arrears, which date back to July 2025. The Applicants have been locked out of, and no longer have access to, these premises.

D. Key Customers and Service Providers

57. As noted above, the Company services over 38,000 small and medium-sized businesses across Canada and the US. Paystone's customers operate across a variety of industries, and include restaurants, barber shops, hair and nail salons, car dealers, mechanics, dentists, pharmacies, convenience stores and other retailers.

58. The Company's business requires reliable service from banks who connect the Company to their credit card networks. These banks are referred to in the industry as "**Acquiring Banks**".

In order to operate as a payment processing company, the Company must register through the Acquiring Bank as an MSP – a merchant service provider. The Company partners with Elavon, FiServ and Global Payments in its capacity as an MSP, which form the backbone of the Company's payment processing services to its respective clients. The Company also uses cloud services from vendors like Amazon and Google as well as other proprietary software that is used to deliver its software services.

59. As noted above, the Company's customers expect seamless operations and continuity of service from Paystone. Any disruption to the Company's Payment Processing or its Gift Card & Loyalty software – upon which merchants rely to manage gift card balances and loyalty points for their own clients – could cause immediate and material harm to those businesses. This is particularly acute for the Company's primary customer base, which is made up of small and medium-sized businesses operating in highly competitive industries with high customer attrition, where reliable and uninterrupted access to these services is essential to maintaining customer relationships and ongoing business operations.

E. Intellectual Property

60. The Company has certain registered intellectual property and trademarks associated with the Business. All registered intellectual property and trademarks are owned by Paystone, while Atom Growth Canada has ownership of certain platforms and unregistered intellectual property used in its business lines.

F. Cash Management

61. In the ordinary course of business, the Company uses a banking and cash management system ("**Cash Management System**") to, among other things, collect, transfer and disburse funds generated by its payment processing operations and software operations. The Cash Management System is administered by the Company's finance department, headed by the Chief Financial Officer who is located in London, Ontario.

62. The Cash Management System has several functions, comprised of: (a) collection of accounts receivable from third parties; (b) disbursements to fund payroll, capital expenditures, maintenance costs, payments to service providers; and (c) intercompany cash transfers among various Applicant entities. Intercompany transfers are made on an "as needed" basis to ensure that each Applicant has sufficient working capital and liquidity to meet its needs.

63. Paystone has seven primary bank accounts, comprised of four deposit accounts and three disbursement accounts maintained with Scotiabank and National Bank. In addition to these primary accounts, Paystone also holds 11 business division-specific accounts at National Bank and the Royal Bank of Canada, which were inherited from prior acquisitions. These accounts will be closed by June 30th, 2026.

64. An overview of Paystone's seven primary bank accounts is as follows:

(a) a Canadian dollar deposit account maintained with Scotiabank, which receives Canadian dollar merchant settlement proceeds relating to Payment Processing;

(b) a Canadian dollar deposit account maintained with Scotiabank, which receives Canadian dollar proceeds relating to Gift Card & Loyalty and Reputation Marketing;

(c) a U.S. dollar deposit account maintained with Scotiabank, which receives U.S. dollar proceeds relating to Payment Processing and Reputation Marketing;

(d) a U.S. dollar deposit account maintained with National Bank, which receives U.S. dollar Gift Card & Loyalty collections;

(e) a U.S. dollar deposit and disbursement account maintained with National Bank New York, which receives U.S. dollar merchant settlement proceeds from U.S.-based customers. This account is also used to make USD denominated disbursements;

(f) a Canadian dollar disbursement account maintained with National Bank for payroll disbursements, which is funded by periodic transfers from the Canadian dollar deposit accounts; and

(g) a Canadian dollar disbursement account maintained with Scotiabank for all other CAD denominated disbursements, which is funded by periodic transfers from the Canadian dollar deposit accounts.

65. Paystone's finance department reviews and maintains the Cash Management System on a daily basis, and reviews and reconciles all cash activity on a weekly basis. The Cash Management System is critical to the orderly management of Paystone's operations to provide uninterrupted service to its customers. Accordingly, Paystone is seeking to continue to operate the Cash

Management System post-filing in substantially the same manner as before the commencement of these CCAA Proceedings.

G. Taxes

66. The Company pays taxes in Canada and the US in connection with its operations. To the best of the Applicants' knowledge, the Company is current with its tax obligations and does not have any tax arrears.

V. FINANCIAL POSITION OF THE APPLICANTS

67. The Applicants' financial statements are prepared on a consolidated basis. The Applicants' most recent consolidated unaudited balance sheet as at April 30, 2026 is attached hereto as **Exhibit "E"**.

A. Assets

68. As at April 30, 2026, the Applicants, on a consolidated basis, reported total assets of approximately $50.6 million. A material portion of the non-current assets relates to intangible assets and goodwill – the Applicants have no material tangible assets. A high-level breakdown of the Applicants' assets is set out below:

Asset Type	Book Value
Cash and cash equivalents	$764,000
Trade and other accounts receivable	$6,037,000
Prepaid expenses	$788,000
Inventory	$261,000
Contract Assets	$7,990,000
Property and equipment	$706,000
Intangibles	$34,082,000
Total	**$50,628,000**

69. The Applicants' primary assets consist of proprietary software platforms, customer lists, and related intellectual property, as well as contract assets and payment processing infrastructure. These assets represent a significant portion of the Applicants' enterprise value. The net realizable value of the assets may be less than the book value, in light of the bids received in the Pre-Filing Process it is virtually certain that the net realizable value of the assets is less than book value.

B. Liabilities

70. As at April 30, 2026 the Applicants, on a consolidated basis, had total liabilities of approximately $117.9 million. The current liabilities include the current portion of long-term debt, trade accounts payable, and deferred revenue. The non-current liabilities primarily comprise long-term debt. A high-level breakdown of the Applicants' liabilities is set out below:

Liability Type	Book Value
Trade, A/P, and Accrued Liabilities	$10,422,000
Deferred Revenues	$232,000
Promissory Notes	$4,349,000
Senior Credit Facilities	$91,296,000
BDC Loan	$11,638,000
Total	**$117,937,000**

C. Secured Obligations

71. This section summarizes the secured obligations of the Applicants as of the date hereof. Certified copies of results of personal property searches conducted against Paystone Holdings, Paystone and Atom Growth Canada in Ontario are attached as **Exhibit "F"**. A copy of the results of a Uniform Commercial Code search conducted against Atom Growth USA is attached as **Exhibit "G"**.

1. Sandton's Senior Secured Debt

72. Sandton is the senior secured creditor of the Applicants. As discussed above, on May 8, 2026, the Applicants, Sandton, the Syndicate and the Personal Guarantors (as defined below) entered into the following agreements (the transactions contemplated therein, the "**Loan Purchase Transaction**"):

(a) a loan purchase agreement (the "**Loan Purchase Agreement**") between: (i) the Syndicate, as sellers; (ii) Sandton, as purchaser; (iii) Paystone, as borrower; and

(iv) Paystone Holdings, Atom Growth Canada, Atom Growth USA and the Principals (collectively, the "**Obligors**"), as guarantors; and

(b) a forbearance agreement (the "**Sandton Forbearance Agreement**") between: (i) Paystone, as borrower; (ii) each of the other Obligors, as guarantors; (iii) Sandton, as administrative agent; and (iv) Sandton, as lender.

73. A copy of the Loan Purchase Agreement, with the purchase price redacted (as required by the confidentiality provisions thereunder), is attached hereto as **Exhibit "H"**, and a copy of the Sandton Forbearance Agreement is attached hereto as **Exhibit "I".**

74. These agreements were entered into by the Applicants in an effort to, among other things, repay amounts owing to the Syndicate, reduce the Applicants' outstanding indebtedness and improve the Applicants' capital structure. As noted above and discussed further below, at the time the Loan Purchase Agreement was executed, the Applicants were in default under the Senior Credit Facilities, and had entered into the Syndicate Forbearance Agreement. Pursuant to the Loan Purchase Agreement, Sandton agreed to purchase and accept each Syndicate member's right, title and interest in and to the principal amounts outstanding under the Senior Credit Facilities and the related credit documents and security.

75. The Loan Purchase Transaction closed on May 12, 2026. A summary of the Senior Credit Agreement, the Senior Credit Facilities and the related security acquired by Sandton is set out below.

(a) Senior Credit Facilities & Forbearance Agreement

76. On March 31, 2025, Paystone, as borrower, Paystone Holdings, as parent, Atom Growth Canada and Atom Growth USA, as guarantors, and the Syndicate, as lenders, entered into a third amended and restated credit agreement (the "**Third ARCA**"). Pursuant to the Third ARCA, the Syndicate agreed to make the following Senior Credit Facilities available to Paystone:

(a) Revolving Facility – a revolving facility (the "**Revolving Facility**") up to the maximum principal amount of $1,000,000 (the "**Revolving Facility Limit**"). The Revolving Facility was authorized to be used to fund working capital requirements and other general corporate expenses incurred by the Company in the ordinary course of business.

(b) Term Facility – a term facility up to the maximum principal amount of $90,000,000 (the "**Term Facility**"). The Term Facility's permitted purposes were limited to: (i) refinancing existing debt; (ii) partially financing certain specified acquisitions (including the Ackroo Acquisition) and buy-outs; and (iii) paying certain transaction costs.

77. A copy of the Third ARCA is attached hereto as **Exhibit "J"**.

78. Paystone and the Syndicate (together, the "**Original Loan Parties**") amended the terms of the Third ARCA on April 21, 2025, pursuant to a first amending agreement (the "**First Amendment**"). The First Amendment, among other things, added a temporary sub-facility under the Revolving Facility in the amount of $2,750,000 (the "**Bulge Sub-Facility**"), which increased the Revolving Facility Limit from $1,000,000 to $3,750,000. Pursuant to the First Amendment,

the Bulge Sub-Facility was set to expire on May 9, 2025 (the "**Bulge Facility Termination Date**"), at which time all amounts outstanding under the Bulge Sub-Facility would become due. A copy of the First Amendment is attached hereto as **Exhibit "K"**.

79. The Original Loan Parties entered into a second amending agreement on May 9, 2025 (the "**Second Amendment**" and together with the Third ARCA and the First Amendment, the "**Senior Credit Agreement**"), pursuant to which the Original Loan Parties agreed to extend the Bulge Facility Termination Date to July 3, 2025. The Applicants failed to repay the principal amount of $500,000 owing under the Bulge Sub-Facility on or before the Bulge Facility Termination Date, and, accordingly, the unpaid portion formed part of the obligations acquired by Sandton under the Loan Purchase Transaction. A copy of the Second Amendment is attached hereto as **Exhibit "L"**.

80. National Bank and Paystone entered into an ISDA 2002 Master Agreement on September 15, 2023 in connection with certain proposed hedge transactions (the "**Hedge Transactions**"). Prior to the closing of the Loan Purchase Agreement, on April 30, 2026, Paystone terminated the Hedge Transactions, with the consent of National Bank, which triggered an early termination fee in the amount of $1,700,000, plus certain agent costs, becoming payable to National Bank (the "**Termination Obligations**").

81. As part of the Loan Purchase Transaction, Sandton acquired all indebtedness owing under the Revolving Facility (including the Bulge Sub-Facility) and the Term Facility, as well as the Termination Obligations (once acquired, the "**Sandton Secured Indebtedness**"). Sandton also assumed the role of administrative agent and lender under the Senior Credit Agreement and remains bound by its provisions, subject to certain specified exceptions (as discussed below).

82. In connection with the Loan Purchase Transaction, the Applicants and Sandton executed the Sandton Forbearance Agreement on May 8, 2026, which, among other things, amended certain terms under the Senior Credit Agreement. A summary of the material amendments is set out below:

(a) Blended Payments of Principal & Interest: Paystone is required to pay a fixed monthly payment of $825,000 on account of: (i) interest owing for the immediately preceding month; and (ii) outstanding principal. Each monthly payment will be applied first to accrued and unpaid interest, and the balance, if any, will be applied to the repayment and reduction of the outstanding principal. Outstanding principal under the Senior Credit Facilities bears interest at a fixed rate of 5% per annum.

(b) Maturity Date: The maturity date of the Senior Credit Facilities is May 8, 2028 (the "**Maturity Date**").

(c) Debt Repayment Discount: If no Waiver Termination Events (as defined in the Sandton Forbearance Agreement) occur (and remain uncured within the cure period, as applicable), including any acceleration of payment related thereto, Paystone will be granted a discount of $35,262,500 to the outstanding principal amount owing as of the Maturity Date.

(d) No Further Advances: No further advances are available under the Senior Credit Facilities. For greater certainty, this includes any amounts repaid under the Revolving Facility, which cannot be redrawn.

83. As of the date the Sandton Forbearance Agreement was executed, the principal amount of the Sandton Secured Indebtedness was $92,375,000 (exclusive of interest, fees and other costs).

(b) Security and Credit Documents

84. As security for their obligations under the Senior Credit Facilities, the Applicants and the Principals (as applicable) executed the following documents (as amended from time to time, the "**Security Documents**") in favour of the Agent:

(a) unlimited guarantees from each of Paystone Holdings, Atom Growth Canada and Atom Growth USA;

(b) personal guarantees from each of the Principals (in such capacity, the "**Personal Guarantors**"), in the maximum principal amount of $500,000;

(c) general security and pledge agreements executed by Paystone, Atom Growth Canada and Atom Growth USA;

(d) a securities pledge agreement and a general security agreement executed by Paystone Holdings;

(e) a deed of hypothec on moveable property granted by Paystone; and

(f) intellectual property security agreements and insurance assignments (collectively, the "**Security**").

85. Due to their volume, the Security Documents have not been appended to this affidavit. The Applicants will make the Security Documents available to stakeholders in these CCAA Proceedings upon request.

86. Certain preferred shareholders of Paystone Holdings and unsecured lenders of Paystone have also executed subordination and postponement agreements in favour of the Agent (at the time, National Bank – and now Sandton) (each as amended from time to time, the "**Subordination Agreements**"). Among other things, the Subordination Agreements prevent the applicable shareholders or lenders from obtaining or receiving payments from Paystone or Paystone Holdings, as applicable, until the Sandton Secured Indebtedness has been repaid (subject to the terms of the applicable Subordination Agreement).

87. Since the Security was granted prior to the closing of the Loan Purchase Transaction, the Applicants and the Personal Guarantors, pursuant to the Sandton Forbearance Agreement, acknowledged, ratified and confirmed that the Senior Credit Agreement, the Security Documents, and various ancillary documents remain in full force and effect, and continue to secure the Sandton Secured Indebtedness.

2. BDC Loan

88. As noted above, in order to assist with its liquidity issues following certain acquisitions, the Company approached BDC to provide subordinate secured financing. Pursuant to a letter of offer dated January 29, 2024 (the "**BDC Financing Agreement**"), BDC advanced a loan to Paystone in the aggregate principal amount of $10,000,000 (the "**BDC Loan**"). A copy of the BDC Financing Agreement is attached hereto as **Exhibit "M"**.

89. The BDC Financing Agreement was further amended from time to time – most recently, on March 28, 2025 (the "**BDC Amendment**") to, among other things: (i) increase the interest rate on the BDC Loan to 12.05%; (ii) set out monthly consecutive instalments for the repayment of the principal under the BDC Loan; (iii) add certain security; and (iv) amend certain reporting

requirements. In accordance with the BDC Amendment, commencing on July 15, 2028, Paystone is required to pay monthly principal installments of $166,667, with one final balloon payment of $9,166,665 payable on December 15, 2028. A copy of the BDC Amendment is attached hereto as **Exhibit "N"**.

90. As security for their obligations under the BDC Loan, certain of the Applicants and the Personal Guarantors (as applicable) granted BDC various security, including:

(a) general security agreements executed by Paystone, Paystone Holdings and Atom Growth Canada;

(b) unlimited guarantees from Paystone Holdings and Atom Growth Canada; and

(c) joint and several personal guarantees by the Personal Guarantors, in the aggregate maximum principal amount of $1,000,000 (collectively, the "**BDC Security Documents**").

91. Due to their volume, the BDC Security Documents have not been appended to this affidavit. The Applicants will make the BDC Security Documents available to stakeholders in these CCAA Proceedings upon request.

92. The indebtedness arising under the BDC Loan is subordinated to the Sandton Secured Indebtedness pursuant to a priority agreement between BDC, the Agent, Paystone and Paystone Holdings dated February 29, 2024 (as amended from time to time, the "**Priority Agreement**"). A copy of the Priority Agreement is attached hereto as **Exhibit "O"**.

93. On February 19, 2026, BDC delivered a letter to Paystone, among other things: (a) noting that Paystone was in default of its obligation to pay regular installments of interest; (b) demanding repayment of such amounts; and (c) enclosing a Notice of Intention to Enforce Security pursuant to the BIA. BDC was ultimately prevented from enforcing against Paystone following its receipt of a "standstill notice" delivered to it by the Agent pursuant to the Priority Agreement the following day. The current standstill period expires on June 20, 2026. Copies of the BDC demand letter and the Agent's standstill notice are attached hereto as **Exhibits "P"** and **"Q"**, respectively.

94. As of the date hereof, the principal amount owing under the BDC Loan is approximately $11.8 million (including accrued interest).

3. The Bank of Nova Scotia

95. The Company maintains certain bank and deposit accounts with The Bank of Nova Scotia ("**BNS**"). As a condition of its ongoing use of BNS's banking services, Paystone has pledged certain cash collateral to secure any outstanding indebtedness owing to BNS. The Company has $250,000 of restricted cash with BNS that is used for the Company's billings.

D. Unsecured Debt

1. 270 Promissory Note

96. As part of the Ackroo Acquisition, Paystone issued an unsecured promissory note dated as of March 31, 2025 in favour of 2700715 Ontario Inc. ("**270**"), issued as non-cash consideration for 270's transfer of 12,232,362 common shares of Ackroo Inc. The unsecured note provides for payment of up to $1,834,854.30, together with interest.

97. The principal is repayable through monthly payments of $37,500 commencing January 1, 2026, with the balance due on April 1, 2029. The indebtedness evidenced by the promissory note is expressly subordinated to the claims of Paystone's secured lenders, and the note contains customary representations, covenants, events of default, and acceleration provisions.

98. As a result of its defaults and liquidity constraints, no payments have been made to 270 under the unsecured note. As of the date hereof, there is approximately $2,500,000 owing thereunder.

99. A copy of the promissory note issued to 270 is attached as **Exhibit "R"**.

2. VTB Holder

100. As part of the Ackroo Acquisition, on March 31, 2025, Paystone issued an unsecured promissory note in favour of Steve Levely (the "**VTB Holder**") as deferred, non-cash consideration. The promissory note evidences indebtedness of up to $1,426,050.00, together with interest.

101. The note requires monthly principal payments of $37,500 commencing April 1, 2026, and matures once the outstanding principal and accrued interest have been paid in full. As a result of its defaults and liquidity constraints, no amounts have been paid thereunder by the Applicants. The obligations under the note are unsecured and are contractually subordinated and postponed to all existing and future secured indebtedness of Paystone. The note contains customary representations, covenants, events of default, and acceleration provisions.

102. A copy of the promissory note issued to the VTB Holder is attached as **Exhibit "S"**.

3. Crown Obligations

103. The Company is current in respect of HST payments. Going forward, HST remittances will be reflected in the projected cash flows. The Company is also current on all source deductions and they are funded to the Company's payroll providers as part of the normal payroll cycle.

4. Trade Creditors

104. Paystone has unpaid trade and other unsecured debt accrued in the normal course of business. As of June 3, 2026, the Company has in excess of $7.7 million owing to trade creditors.

5. Credit Cards

105. The Company also maintains certain business credit cards to fund business expenses. These cards have been paid current.

VI. EVENTS PRECEDING THESE CCAA PROCEEDINGS

A. Expansion, Billing Error, and Liquidity Crisis

106. As described above, the Company significantly expanded its business in recent years through various acquisitions that were primarily funded by debt from National Bank and its syndicate and certain other bank lenders (and, to a lesser extent, funded from the equity investments made by certain preferred shareholders). In addition to its successful acquisitions, the Company also spent significant funds considering and pursuing certain transactions in the U.S. – I understand that this included a potential acquisition valued at US$150 million that was pursued through much of 2022, as well as a smaller potential acquisition considered by the Company in 2022 and early 2023. Neither of these acquisitions ultimately closed.

107. The high costs incurred in pursuing the U.S. acquisitions (and completing the various Canadian acquisitions discussed above), coupled with rapidly rising interest rates, caused liquidity challenges for the Company. In December 2023, the Company and National Bank entered into an agreement amending the Company's then-current credit agreement to temporarily defer principal repayments under the credit facilities to allow the Company to take steps to improve the liquidity situation. Also as part of the Company's attempts to improve its liquidity, the Company received the BDC Loan in January, 2024. The BDC Loan provided the Company with $10 million in financing, a portion of which was used to partially repay the National Bank Credit Facilities. Thereafter, for a brief period, the Company was able to resume principal repayments under its Senior Credit Facilities; however, the Company's financial situation remained precarious.

108. Despite facing these liquidity challenges, I understand that the Company was able to continue to operate the business efficiently and continued to grow its customer base. It also continued to expand through acquisitions – as noted above, on March 31, 2025, the Applicants: (a) entered into the Third ARCA to, among other things, add a new bank lender to the Syndicate to provide funding for the Ackroo Acquisition; and (b) closed the Ackroo Acquisition.

109. The Company's current liquidity crisis was exacerbated by a billing error, which followed shortly after the execution of the Third ARCA and the closing of the Ackroo Acquisition. In connection with the Third ARCA, Paystone was required to transition its customer billing operations to a new banking institution. This transition occurred on April 1, 2025, and the following day, on April 2, 2025, the billing error, which was caused by an internal bank error, occurred. The billing error resulted in a significant number of Paystone's customers being overcharged their typical monthly charge by a factor of 100 (e.g. a customer that was supposed to have its account debited for $10,000 was instead debited $1,000,000).

110. The results were catastrophic to the Applicants. As noted above, customers expect seamless operations from their payment processing providers, and when outages or interruptions occur, it is common for customers to switch providers. Unfortunately, as a result of the billing error, the Company immediately lost several of its customers. In addition, the Company was forced to deal with a substantial volume of urgent customer inquiries and to dedicate significant resources to remedying the issues and keeping the Business operating on a go-forward basis. Through the significant efforts of management, the Company was able to continue its operations.

111. In order to pay critical vendors and continue operating, the Applicants obtained the Bulge Sub-Facility from the Syndicate. However, as customer billings were delayed by the Company following the billing error, the Applicants were unable to repay the amounts owing thereunder when due. The Applicants continued to require accommodations from the Syndicate as a result of their liquidity issues.

112. Given the various defaults under the Senior Credit Agreement and continued challenges with liquidity, the Syndicate requested that Paystone engage Canaccord to conduct the Pre-Filing Process (which engagement was finalized in September 2025) and Paystone also engaged Reflect to act as CRO (which engagement was finalized in October 2025).

113. In the months that followed, Reflect, as CRO, worked with the Company to review operations, prepare forecasts, assist with liquidity conservation measures, engage in discussions with the Syndicate, and work with Canaccord to design, supervise and implement the Pre-Filing Process. Despite the efforts of the Applicants and the CRO, various defaults in respect of the Senior Credit Facilities continued. As such, the Agent ultimately delivered the demand letters and BIA

Notices referenced above on December 22, 2025. Copies of the demand letters and BIA Notices are attached hereto as **Exhibit "T"**.

114. Following negotiations between the Company, the CRO, the Syndicate, and the parties' respective legal counsel, several agreements extending the notice period under the BIA Notices were entered into between the Applicants and the Syndicate. Ultimately, on February 11, 2026, the Syndicate and the Applicants entered into the Syndicate Forbearance Agreement, which, among other things, provided for various terms for the Pre-Filing Process, including deadlines for the completion of various milestones, and made clear that the purpose of that process was to fully repay and cancel the obligations owing to the Syndicate. The initial forbearance agreement was amended pursuant to several letter agreements. The Syndicate Forbearance Agreement, including its subsequent amendments, is attached hereto as **Exhibit "U"**.

B. Pre-Filing Process and Loan Purchase Transaction

115. The Pre-Filing Process was undertaken by Canaccord, with the supervision and oversight of the CRO. Canaccord, which was engaged by the Company as financial advisor at the request of the Syndicate, is a reputable financial advisory firm with substantial expertise in conducting sale and investment solicitation processes, including in the distressed context. I believe that, based on its experience, Canaccord was well-positioned to run the Pre-Filing Process.

116. In accordance with the Syndicate Forbearance Agreement, and in consultation with the Applicants and the CRO, Canaccord prepared: (a) a list of prospective parties to contact, consisting of a mix of majority and minority equity investors and structured capital providers; (b) a brief teaser describing the opportunity; and (c) a detailed confidential information memorandum (the "**CIM**"), which offered a comprehensive overview of the Applicants and their business and

highlighted details relevant for potential acquirers or investors. Canaccord also prepared a data room populated with relevant materials, including the CIM, all of which would only be made available to parties that executed a non-disclosure agreement (an "**NDA**"). These materials were reviewed by, and incorporated comments from, the CRO. I understand that these materials were also reviewed by, and discussed with, representatives of the Syndicate.

117. In accordance with the Syndicate Forbearance Agreement, Canaccord broadly canvassed the market in February and March 2026 for interest in a broad variety of transactions in respect of the Applicants. I understand that Canaccord contacted 94 prospective parties, of which 35 ultimately executed an NDA, and 27 went on to have discussions or meetings with the Company.

118. As noted above, four non-binding term sheets (the "**Term Sheets**") were ultimately received by Canaccord under the Pre-Filing Process. These Term Sheets were presented by Canaccord, and considered by, the Applicants, the CRO and the Syndicate. Copies of the Term Sheets have been provided to the Proposed Monitor on a confidential basis.

119. As indicated at the outset of this affidavit, Reflect – and I in particular – have significant experience in overseeing sale processes involving distressed companies both inside and outside of formal Court processes in Canada and elsewhere. Throughout my nearly 25 year career I have participated in, designed, conducted and/or supervised several hundred such processes and have appeared in front of this Honourable Court (as well as others throughout Canada and the United States) on numerous occasions. I am of the view that the Pre-Filing Process was reasonable in the circumstances, and resulted in a thorough canvassing of the market. The Pre-Filing Process was conducted in a manner similar to how I would conduct or supervise a SISP inside a formal Court

process. I understand that KSV, if appointed as Monitor in these CCAA Proceedings, will also provide its view on the Pre-Filing Process in a future report to the Court.

120. As described above, Reflect separately received a proposal directly from Sandton outside of the Pre-Filing Process. After reviewing and considering the terms of Sandton's proposal compared to the proposals received under the Pre-Filing Process, the Applicants and the Syndicate, in consultation with the CRO, determined that the Sandton proposal was superior (including, among other reasons, because it provided the greatest recovery for the Syndicate), and ultimately agreed to proceed with that proposal. As noted above, the Loan Purchase Agreement and the Sandton Forbearance Agreement were executed on May 8, 2026. I remain of the view that the Sandton proposal was the best offer received in the circumstances for both the Applicants and the Syndicate, and that proceeding with the Loan Purchase Agreement was appropriate in the circumstances. I note that the Loan Purchase Transaction was supported (and agreed to) by the Syndicate, notwithstanding that it resulted in a substantial loss for the Syndicate.

C. Path Forward

121. The Applicants and Sandton have continued discussions following the closing of the Loan Purchase Transaction. The Applicants and Sandton agree that the Applicants' current debt load is unsustainable for the Business in the long term, and that although the Loan Purchase Transaction offers the prospect of reduced senior secured obligations, the Applicants remain unable to meet their other debt obligations as they come due.

122. Following discussions, the Principals, through the Purchaser, have entered into an agreement to acquire substantially all of the assets of the Applicants pursuant to the terms of the APA. If the Sale Transaction is approved by the Court, Sandton and the Purchaser will enter into

the New Credit Agreement, which would contemplate a principal repayment obligation of $60 million (instead of the existing principal amount of over $92 million), with an increase to the interest rate now calculated against the reduced loan principal amount. The result would see the payment of all priority amounts, a significant reduction of the senior debt facility, and the cleansing of all debt obligations junior to the Sandton Secured Indebtedness. The Applicants, the Principals, and Sandton are all motivated to move quickly to ensure a seamless transfer of the Business without customer disruption.

VII. RELIEF SOUGHT PURSUANT TO THE INITIAL ORDER

123. After extensive review and careful consideration of the strategic options and alternatives available, and discussions with the CRO and their legal counsel, the board of directors of each of the Applicants has determined that it was in the best interests of the Applicants and their stakeholders to commence these CCAA Proceedings.

124. As set out above, the Applicants, with the support of Sandton and the Proposed Monitor, are commencing these CCAA Proceedings to facilitate the value maximizing Sale Transaction, right-size their balance sheet, and emerge with a viable go-forward business for the benefit of their stakeholders. The Applicants believe that these CCAA Proceedings present the only viable means of preserving and maximizing the value of the Business. However, the approval of the Sale Transaction and the related relief will not be sought until the Comeback Hearing.

125. In the Initial Order, the Applicants seek only the relief immediately necessary to provide the breathing space from their creditors and other counterparties and to continue operations in the ordinary course over the coming ten days. That relief is discussed further below.

A. Stay of Proceedings

126. The Applicants urgently require a broad stay of proceedings to provide breathing space while they attempt to effect a restructuring, all while continuing to operate in the ordinary course as a going concern. Accordingly, the proposed Initial Order provides the Stay of Proceedings for the Initial Stay Period of not more than ten days. The Applicants anticipate seeking an extension of the Stay of Proceedings beyond the Initial Stay Period at the Comeback Hearing.

127. The Stay of Proceedings will preserve the *status quo* and ensure that the Applicants are able to continue operations in the ordinary course. At the Comeback Hearing, the Applicants intend to seek an extension of the Stay of Proceedings to, among other things, allow them to close the Sale Transaction (if approved at the Comeback Hearing) and ensure the Monitor is able to attend to necessary matters with respect to the Applicants' wind-up and the termination of these proceedings thereafter.

128. In light of the foregoing, the Stay of Proceedings is in the best interests of the Applicants and their stakeholders. I understand that the Proposed Monitor believes that the Stay of Proceedings is necessary and appropriate in the circumstances.

B. Proposed Monitor

129. The Applicants seek the appointment of KSV as Monitor of the Applicants in these CCAA Proceedings. KSV has consented to act as the Monitor, subject to Court approval. Attached as **Exhibit "V"** hereto is a copy of the Proposed Monitor's consent to act.

C. Ability to Pay Certain Pre-Filing Amounts

130. Pursuant to the proposed Initial Order, the Applicants are seeking authorization (but not the obligation) to pay, among other things:

(a) all outstanding and future wages, salaries, employee benefits, vacation pay and employee expenses payable on or after the date of the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) with the consent of the Monitor and Sandton, amounts owing for goods and services actually supplied to the Applicants prior to the date of the Initial Order, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the Business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect or enhance the value of the Property or the business, (iii) making such payment is required to address regulatory concerns, and (iv) the supplier or service provider is required to continue to provide goods or services to the Applicants after the date of the Initial Order, including pursuant to the terms of the Initial Order; and

(c) the fees and disbursements of any Assistants (as defined in the Initial Order) retained or employed by the Applicants in respect of the CCAA Proceedings, at their standard rates and charges.

131. Given the Applicants' ability to operate their business in the normal course is dependent on their ability to obtain an uninterrupted supply of certain goods and services, I believe this relief is necessary to maintain ordinary course operations in the immediate term. It is expected that the Applicants will only be required to pay nominal amounts to certain key service providers.

132. I understand that the Proposed Monitor and Sandton are supportive of this relief.

D. Administration Charge

133. The Applicants seek a super-priority charge over the Applicants' Property (in favour of the Monitor, counsel to the Monitor, counsel to the Applicants, and the CRO, to secure payment of their professional fees and disbursements, whether incurred before or after the date of the Initial Order (the "**Administration Charge**"). The proposed Administration Charge being sought is for a maximum amount of $745,000.

134. The Applicants require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during the CCAA Proceedings in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in the Applicants' restructuring.

135. The Applicants, the CRO and the Proposed Monitor, in consultation with Sandton, worked collaboratively to estimate the quantum of the Administration Charge required, which takes into account the fees and level of work anticipated by professionals in these CCAA Proceedings. I believe that the Administration Charge is fair and reasonable in the circumstances. I understand that the Proposed Monitor is also of the view that the Administration Charge is fair and reasonable in the circumstances, and that Sandton supports the Administration Charge.

136. The Applicants are of the view that the quantum of the Administration Charge sought in the Initial Order would be sufficient for the remainder of the CCAA Proceedings – as such, the Applicants do not intend to seek an increase to the Administration Charge at the Comeback Hearing.

137. The Applicants are not seeking any other charges in the Initial Order.

E. Cash Flow Forecast

138. With the assistance of the Proposed Monitor, the Applicants have undertaken a cash flow analysis to determine the quantum of funding required to finance their operations, assuming the Initial Order and the relief sought at the Comeback Hearing is granted, for the next three weeks (the "**Cash Flow Forecast**"). I understand that the Cash Flow Forecast will be attached to the pre-filing report of the Proposed Monitor, and will show that the Applicants have sufficient liquidity to operate during the Initial Stay Period (and, if so extended, the Stay Period).

VIII. RELIEF TO BE SOUGHT AT THE COMEBACK HEARING

139. As discussed above, the Applicants intend to seek the ARIO, AVO and Ancillary Order at the Comeback Hearing. The relief contemplated in each of the proposed Orders, and the basis for same, is set out further below. I understand that the Monitor, if appointed pursuant to the Initial Order, will file a Report with the Court providing its views on the relief sought in advance of the Comeback Hearing, including in respect of the Sale Transaction. The Applicants reserve all rights to file further materials in connection with same.

A. ARIO

140. The relief sought in the ARIO moderately expands the relief sought by the Applicants in the Initial Order. The relief is necessary in the circumstances to provide the Applicants with continued breathing space necessary to ensure the Sale Transaction can close in an efficient manner, and otherwise grants customary ancillary relief.

141. The proposed Initial Order seeks the granting of a CCAA stay of proceedings for the Initial Stay Period until and including June 15, 2026. At the Comeback Hearing, the Applicants intend to seek an extension of the Stay of Proceedings to facilitate the closing of the Sale Transaction and the transfer of the Business to the Purchaser, all while continuing operations and providing seamless service for their customers. As reflected in the Cash Flow Forecast, if the Sale Transaction is approved, the Applicants are forecasted to have sufficient liquidity to fund the Company's ordinary course obligations until the Outside Date (as defined below).

142. The proposed extension is bifurcated: if the Sale Transaction closes (as evidenced by the delivery of the Monitor's Certificate) on or before June 26, 2026, the Stay Period will be extended to and including August 15, 2026, which would provide the time necessary for the Monitor to complete any administrative wind-up matters following the closing of the Sale Transaction, and otherwise facilitate an orderly termination of these CCAA Proceedings. If the Monitor's Certificate is not delivered by June 26, 2026, the Stay Period will expire on that day. As noted above, the Applicants do not expect to be able to fund operations beyond June 30, 2026 if the Sale Transaction does not close, and as such, they would need to return to Court to seek approval of further funding in such circumstances.

B. AVO

143. Throughout their liquidity struggles, the Applicants have continued to operate a successful and growing business. I believe that, with a restructured balance sheet, the Applicants' Business will be well-positioned to emerge as a viable, long-term, successful company operated by the Purchaser. The relief sought in the AVO will facilitate this transition for the benefit of the Applicants and their stakeholders, including more than 38,000 customers and approximately 118 employees.

1. APA

144. As discussed above, following negotiations involving the Applicants, the CRO, the Purchaser, and Sandton, and in consultation with the Proposed Monitor, the APA was entered into effective June 5, 2026. A copy of the APA is attached hereto as **Exhibit "W"**.

145. The principal terms of the APA are summarized below:

Term	Details[1]
Sellers	The Applicants.
Purchaser	1001632600 Ontario Inc.
Outside Date	June 16, 2026, or such other date as mutually agreed to by the Parties, each acting reasonably.
2.1 Transaction Structure	Subject to approval of the Court, the Sellers have agreed to sell, transfer, and assign to the Purchaser, and the Purchaser has agreed to purchase, the Purchased Assets, free and clear of all Encumbrances.
3.1 Purchase Price	The Purchase Price consists of: (a) a cash payment of an amount equal to the amount necessary to satisfy the Priority Payables and fund the Wind-Up Reserve; (b) payment of $60 million, which shall be satisfied by entering into the New Credit Agreement with Sandton (or its affiliate), and in exchange for which Sandton shall consent to the vesting off of all

[1] All capitalized terms used in this table but not otherwise defined have the meaning ascribed to them in the APA.

	Encumbrances related to the Sandton Secured Indebtedness pursuant to the Approval and Vesting Order; and (c) the Purchaser's assumption of the Assumed Liabilities.
2.2 Purchased Assets	The Purchaser shall purchase all of the right, title, benefit, and interest of the Sellers in and to, among other things: equipment and machinery; inventory and supplies; accounts receivable; cash on hand and equivalents; Contracts and Assigned Contracts; Intellectual Property; goodwill of the Business; Authorizations; rights to tax refunds and credits; deposits held by suppliers or customers; insurance claims; and Books and Records, but excluding the Excluded Assets.
2.3 Excluded Assets	The Purchaser shall not purchase the Excluded Contracts; the Sellers' tax records and insurance policies (save for tax records required with respect to Purchased Assets); equity interests in the Sellers or any other Person; the Sellers' rights under this Agreement, the Transfer Documents, and related agreements; Books and Records not pertaining primarily to the Purchased Assets; and assets, property, and Contracts identified in Schedule "E" (which the Purchaser may update on or prior to the second Business Day before the Closing Date).
2.4 Assumed Liabilities	All Liabilities of the Sellers under the Assigned Contracts accruing from and after the Closing Time; all Liabilities under any Authorizations; all Cure Costs to the extent not paid at Closing; all Liabilities with respect to the Purchased Assets from and after the Closing Time; and all Liabilities relating to the Transferred Employees from and after the Closing Time. Excluded from the Assumed Liabilities are: Liabilities for employees who are not Transferred Employees; Liabilities related to any Excluded Assets; and Encumbrances.
4.1 Transferred Employees	The Purchaser shall deliver a written Retention List to the Sellers forthwith following the granting of the AVO. Forthwith after the AVO is granted, the Purchaser shall offer employment to all active employees on the Retention List on terms and conditions substantially similar in the aggregate to their existing terms of employment, recognizing prior accumulated service (as recognized by the applicable Seller) for all employment-related purposes. Employees who receive and accept the Purchaser's offer and commence employment with the Purchaser are the "Transferred Employees".
5.3 "As Is, Where Is" Sale	The Purchaser shall acquire the Purchased Assets on an "as is, where is" basis. Except for the representations and warranties of the Seller set forth in Schedule "A", no representations, warranties, or conditions of any kind are given concerning the Purchased Assets. The Purchaser has no recourse or claim against the Sellers following Closing for breach of any representation or warranty in Schedule "A".
6.5, 6.6 Mutual Releases	Effective as of the Closing Time, the Purchaser releases the Vendor Released Parties and the Sellers release the Purchaser Released Parties from all Released Claims relating to the Purchased Assets or the Assumed Liabilities, save and except for Released Claims arising out of fraud or willful misconduct.

7.1, 7.2 Conditions Precedent	The Purchaser's obligation to close is subject to, among other things: truth and accuracy of the Sellers' representations and warranties in all material respects; performance of the Sellers' covenants; the Purchaser having entered into the New Credit Agreement in form and substance acceptable to the Purchaser and Sandton; the Sellers not having made an assignment in bankruptcy; issuance and continued effectiveness of the Initial Order, the Approval and Vesting Order, and, if required, the CCAA Assignment Order; the Initial Order stays remaining in effect; no pending or threatened legal or regulatory actions; no injunction; and delivery of closing documents and a closing certificate to the Monitor. The Sellers' obligation to close is subject to substantially reciprocal conditions regarding the Purchaser.
8.1 Termination	The Agreement may be terminated prior to the Closing Date by: (a) mutual written agreement; (b) either Party upon termination, dismissal, or conversion of the CCAA Proceedings, certain Court relief, the Court declining to grant the Approval and Vesting Order, a final non-appealable Order prohibiting the Transaction, or if Closing has not occurred by the Outside Date; (c) the Sellers upon material breach by the Purchaser or the Purchaser's failure to fund the Purchase Price; and (d) the Purchaser upon material breach by the Sellers. Upon termination, the Agreement becomes void with no liability of any Party to any other Party.
9.6 Post-Closing Name Change	Within 10 Business Days of the Closing Date, each of the Sellers shall change its legal name to a name that does not include the word "Paystone", "Atom Growth", "Atom", or any confusingly similar word or variant thereof. None of the Applicants shall, from and after the Closing Time, use the word "Paystone", "Atom Growth", "Atom" or any confusingly similar word or variant thereof in connection with any business activities, including on any website, promotional material, signage or document that is generally available to customers, suppliers or the public.

146. As noted above, the Purchase Price will include a cash payment to pay the Priority Payables and fund the Wind-Up Reserve, and the payment of $60 million, which shall be satisfied by entering into the New Credit Agreement with Sandton. The Purchaser will also assume certain liabilities of the Company.

147. I understand that the Purchaser expects to offer employment to substantially all of the Applicants' employees on substantially similar terms.

2. Approval of Sale Transaction and Vesting Relief

148. As noted above, the Loan Purchase Transaction, which was agreed to by the Applicants' then-senior secured lenders, and pursuant to which those lenders realized a significant loss, offered superior economic value compared to any of the non-binding offers received pursuant to the comprehensive Pre-Filing Process. The Sale Transaction now provides certainty and largely crystallizes the key benefit of that transaction by immediately substantially reducing the principal amount payable under the Applicants' senior credit facility. The Sale Transaction will see a total Purchase Price paid of over $60 million, which is significantly more than any offer received under the Pre-Filing Process. As such, following the extensive Pre-Filing Process, I believe the Sale Transaction represents the best path forward for the Applicants.

149. The AVO would vest the Purchased Assets in the Purchaser free and clear of and from all Claims and Encumbrances (as defined therein). As noted above, I understand that Sandton will consent to this relief, subject to the Purchaser entering into the New Credit Agreement and related loan and security documentation. There will be no recoveries for any subordinate creditors – as was made clear by the Syndicate's decision to enter the Loan Purchase Agreement following the Pre-Filing Process, there is no economic value beyond the senior secured debt.

150. The Sale Transaction would ensure the Business survives as a going concern. As noted above, it is expected that substantially all of the Applicants' 118 employees will be offered employment by the Purchaser on substantially similar terms, and there will be uninterrupted supply for the Applicants' more than 38,000 customers. In accordance with the APA, the AVO authorizes and directs the Applicants to complete name changes after closing, and directs that the style of cause in the CCAA Proceedings shall be changed to reflect these changes.

151. The completion of the Sale Transaction in the near term is of the utmost importance – as noted above, the Company's customers require seamless service, and it will be critical that a smooth and stable transition occurs to prevent the loss of customers. I understand that most of the customers are under short-term contracts with few barriers to customers switching to a different payment provider, and the Stay of Proceedings will not assist the Applicants in that regard.

152. The Sale Transaction is supported by Sandton, the Applicants' senior secured (fulcrum) creditor and only material economic stakeholder. I do not believe the approval of the Sale Transaction will materially prejudice any party with an economic interest in the Applicants.

3. Releases

153. The AVO would also approve certain releases in favour of the Released Parties effective upon the closing of the Sale Transaction (the "**Releases**"). The Released Parties include, among others, the current and former directors, officers and legal counsel of the Applicants, the CRO, Sandton, the Monitor and its legal counsel, and the Monitor's respective current directors, officers, partners, employees and advisors.

154. The Releases release and discharge the Released Parties from all present and future liabilities and claims arising in connection with or relating to:

(a) omissions, transactions, offers, dealings, or other facts, matters, occurrences or things existing or taking place prior to the delivery of the Monitor's Certificate;

(b) the CCAA Proceedings;

(c) the Loan Purchase Transaction;

(d) the APA;

(e) the consummation of the Sale Transaction; and/or

(f) any closing document, agreement, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing (collectively, the "**Released Claims**").

155. The proposed Releases are limited and enhance the certainty and finality of the Sale Transaction and the CCAA Proceedings. The Released Claims do not include any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

156. I believe that the Releases sought are appropriate in the circumstances and in the best interests of the Applicants and their stakeholders. The Released Parties have made significant contributions to the proposed going concern sale that would see the Business continue following the termination of these proceedings. In particular, the directors and officers of the Applicants and the CRO have provided important direction leading up to the filing of the CCAA Proceedings, including by:

(a) negotiating the various extensions and Syndicate Forbearance Agreement with the Syndicate to provide breathing space to allow the Applicants time to consider out-of-court solutions;

(b) assisting in all respects with the Pre-Filing Process, including the preparation of marketing materials, providing requested information, and meeting with interested parties;

(c) negotiating and closing the Loan Purchase Transaction;

(d) negotiating the APA and the New Credit Agreement;

(e) assisting with the preparation of the CCAA application; and

(f) otherwise managing day-to-day operations of the Applicants prior to the CCAA Proceedings.

157. Should the relief sought in the Initial Order be granted, the directors and officers and CRO will also continue to manage the Applicants' day-to-day operations through the course of these CCAA Proceedings until the closing of the Sale Transaction.

158. The professionals benefiting from the Releases were involved in providing advice and direction to the Applicants in connection with each of the above and were critical to achieving a going-concern outcome that will preserve the Business and the jobs of the vast majority of the Applicants' employees.

159. The Releases will allow the Released Parties to have certainty following closing of the Sale Transaction. Further, the Releases benefit the Applicants and their stakeholders generally, as they will allow the Released Parties to focus on the closing of the Sale Transaction and the Applicants' exit from these CCAA Proceedings.

C. Ancillary Order

160. Finally, the Applicants intend to seek the Ancillary Order to grant relief related to the AVO and necessary for the orderly wind-up of these CCAA Proceedings.

1. Sealing Confidential Appendices

161. I understand that, if the Initial Order is granted, it is expected that the Monitor will file a confidential summary of the economic terms of the Term Sheets as an appendix to its first report to this Court ("**Confidential Appendix "A"**"). Confidential Appendix "A" will contain detailed and competitively sensitive information regarding the Term Sheets, including the proposed purchase price offered thereunder. The Applicants seek to temporarily seal the Confidential Appendix "A" pending closing of the Sale Transaction. Should the information in the Confidential Appendix "A" be made public prior to that time, the Applicants may be prejudiced in any attempt to maximize value pursuant to another transaction. I believe that the sealing request is appropriately limited in the circumstances, and is in the best interests of the Applicants and their stakeholders.

162. I also understand that, if the Initial Order is granted, it is expected that the Monitor will file an unredacted copy of the Loan Purchase Agreement with this Court as **Confidential Appendix "B"** to its first report to this Court. Confidential Appendix "B" will include the purchase price paid by Sandton under the Loan Purchase Agreement (and therefore, the exact loss taken by the Syndicate), which, pursuant to the terms thereof, the parties are required to keep confidential for one year from closing. In accordance therewith, the Applicants seek to seal Confidential Appendix "B" until May 12, 2027.

2. Monitor's Enhanced Powers and Wind-Up Reserve

163. Finally, the Applicants will also seek to expand the powers of the Monitor following the closing of the Sale Transaction. Specifically, the Ancillary Order would authorize and empower, but not require, the Monitor to take all actions required to facilitate the administration of the

Applicants for the remainder of these proceedings, including exercising the powers of management, and to take all actions necessary to bankrupt the Applicants.

164. After the Sale Transaction closes, the Applicants will have no material remaining business, operations or assets. Further, the Principals will be focused on running the go-forward business with the Purchaser – as such, I expect the Principals will resign from their positions as directors of the Applicants following closing. I therefore believe this will be an appropriate time for the Monitor to be granted expanded powers over the Applicants to facilitate the completion of the remaining wind-up and administrative matters necessary to conclude these CCAA Proceedings.

165. I understand that the Monitor is a Licensed Insolvency Trustee with significant experience in CCAA Proceedings, including as "super monitor" with the power to oversee the wind-up of the remaining Applicants to conclude these CCAA Proceedings.

166. The Ancillary Order would also approve the Wind-Up Reserve, to be held by the Monitor from the proceeds of the Sale Transaction, to fund its remaining activities. I understand that the Monitor expects that the Wind-Up Reserve will provide sufficient liquidity to fund the Monitor's remaining activities. Any unused amounts of the Wind-Up Reserve upon termination of these CCAA Proceedings are to be returned to the Purchaser.

167. I believe the Monitor will be well-positioned to fairly and impartially resolve any remaining matters and expeditiously conclude these CCAA Proceedings, all in the interests of the Applicants and their stakeholders. I do not believe that any stakeholder will be prejudiced by the expansion of the Monitor's powers. I understand that Sandton is supportive of the requested relief.

IX. CONCLUSION

168. I believe that the proposed Initial Order is in the best interests of the Applicants and their stakeholders. In the circumstances, I believe that the CCAA Proceedings are the only viable means of restructuring the Applicants' business for the benefit of their economic stakeholders and that the relief sought in the Initial Order is limited to what is reasonably necessary to stabilize the Applicants' business in the initial ten (10) day period. The Stay of Proceedings will allow the Applicants to continue ordinary course operations until the Comeback Hearing.

169. If the Initial Order is granted, the Applicants also respectfully submit that the relief sought in the proposed ARIO, AVO, and Ancillary Order are appropriate in the circumstances. The relief sought will allow for a going-concern transfer of the Applicants' Business and is in the best interests of the Applicants and their stakeholders. The recently concluded Pre-Filing Process, and the fact that the Syndicate decided to take a significant discount on its debt, demonstrates that BDC and the Company's unsecured creditors have no ongoing economic interest. The Applicants therefore respectfully request that this Court grant the ARIO, AVO and Ancillary Order at the Comeback Hearing.

SWORN REMOTELY by Adam Zalev, stated as being located in the City of Nashville, in the State of Tennessee, in the United States of America, before me at the City of Toronto, in the Province of Ontario, on June 5, 2026, remotely via videoconference in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
D89351A6922C47B...

Thomas Gray
A Commissioner for Taking Affidavits in and for the Province of Ontario

Adam Zalev

THIS IS **EXHIBIT "B"** REFERRED TO IN THE AFFIDAVIT
OF ADAM ZALEV, SWORN BEFORE ME
THIS 21ST DAY OF JUNE, 2026.

THOMAS GRAY
A Commissioner for taking Affidavits
(or as may be)

Bennett Jones LLP
3400 One First Canadian Place, PO Box 130
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Tel: 416.863.1200 Fax: 416.863.1716

Sean Zweig
Partner
Direct Line: 416.777.6254
e-mail: zweigs@bennettjones.com

June 21, 2026

Via Email

Dentons Canada LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Attention: Natasha MacParland

Re: Letter of Intent from Shopley Inc. ("Shopley")

As you know, Bennett Jones LLP is counsel to Paystone Holdings Inc., Paystone Inc., Atom Growth Inc., and Atom Growth (USA), Inc. (collectively, the "**Applicants**") in their ongoing proceedings before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**", and those proceedings, the "**CCAA Proceedings**"). We write further to the Letter of Intent dated June 18, 2026 (the "**LOI**") from your client, Shopley. We have copied the Court-appointed monitor, AlixPartners Restructuring, Inc. (the "**Monitor**") and its counsel, along with counsel to the Applicants' senior secured creditor, Sandton Investments X (Luxembourg) S.à r.l. ("**Sandton**"), and the Applicants' subordinate secured creditor, BDC Capital Inc. ("**BDC**").

As you are aware, the Applicants have entered into a *binding* asset purchase agreement (the "**APA**") contemplating a sale of all of their material assets to 1001632600 Ontario Inc. (the "**Purchaser**", and that transaction, the "**Sale Transaction**"). The Sale Transaction, which would deliver more than $60 million of value to the Applicants, is supported by the Monitor and by Sandton, which will enter into a new credit agreement with the Purchaser at closing.

The LOI is not a viable alternative to the Sale Transaction. The non-binding, highly conditional, vague "offer" presented in the LOI is not acceptable to the Applicants – nor (we understand) is it acceptable to Sandton. Its acceptance would put the Applicants in a materially worse position than they are in today, and would expose both the Applicants and Sandton to extreme risk – risk that is notably one-sided, and which Shopley has pointedly declined to share in the LOI. We highlight below the most material issues with the LOI:

- **Non-Binding Nature:** As noted above, the Applicants have entered a definitive agreement to complete the Sale Transaction, which is supported by their senior secured creditor. In

comparison, the LOI is non-binding and remains subject to Shopley being satisfied with the results of its due diligence.

- **Unworkable Timeline Without Additional Funding:** The LOI contemplates that Shopley would have until July 15, 2026 to complete due diligence. The Bank of Nova Scotia has indicated that it will require a significant amount of cash collateral (likely at least $5 million) to be posted to continue billing services for the Applicants in July – as such, immediate, and material, funding would be needed to continue the CCAA Proceedings without pursuing and closing the Sale Transaction. Absent closing of the Sale Transaction (or the availability of committed funding subordinate to Sandton), the Applicants are projected to be unable to fund their operations starting on July 1, 2026. Shopley has not offered to provide the junior funding necessary for the Applicants to continue operations during the due diligence period, or beyond.

- **Timeline Detrimental to the Business:** As Shopley is well aware, in addition to the funding concerns, the proposed timing of this transaction would be detrimental to the Applicants' business operations. As noted in the Applicants' application materials, closing a going-concern transaction on an expedited basis is critical to preserving key customer and supplier relationships, given the high attrition rates in the industry. There is significant risk that the proposed delays will deteriorate enterprise value – all in the absence of any binding commitment from Shopley to complete the transaction. Perhaps that is the driving motivation of the LOI – the Applicants are aware of Mr. Levely's stated desire to harm the business for the purpose of trying to capture market share.

- **No Deposit Provided with LOI:** No deposit has been provided. The LOI contemplates that a deposit will be provided only after a definitive agreement is reached. This provides a free option for Shopley during the due diligence period – all of the risk is on the Applicants and Sandton.

- **Deposit Proposal is Off-Market and Insufficient:** The LOI contemplates that a [redacted] *refundable* cash deposit (the "**Deposit**") will be provided once a definitive agreement is reached. If such an agreement is reached, and a transaction does not close before August 31, 2026, the LOI provides that the Deposit will be fully refunded to Shopley (apparently regardless of whether Shopley acted in good faith). Moreover, in the event all conditions have been met and Shopley decides not to close on the transaction, even then [redacted] of the Deposit will be refunded to Shopley (effectively a $[redacted] break fee – a nominal amount compared to the supposed "value" offered under the LOI). Again, this creates extreme risk for the Applicants – Shopley is asking the Applicants to forgo a definitive agreement (which would provide more than $60M of value) for a non-binding LOI that, even if a definitive agreement is reached and all conditions are met by the Applicants, allows Shopley to walk away for the cost of only [redacted]. Further, requiring the Deposit to be held in trust and not form part of the Applicants' estate is not feasible at this time. As noted above, the Applicants do not have sufficient liquidity to fund the CCAA Proceedings or their ordinary course operations past July 1, 2026.

- **Broad Exclusivity:** Despite declining to provide definitive terms, junior interim funding, or a deposit, the LOI requires the Applicants to deal exclusively with Shopley starting at the execution of the LOI. This is unacceptable, and also inconsistent with the repeated references to a sale and investment solicitation process in the LOI.

- **Joint Bid:** Despite imposing strict exclusivity on the Applicants, Shopley reserves the right to make a joint bid with any interested party.

- **Consideration:** The consideration provision is explicitly non-binding and does not seem to account for the different priorities held by the various creditors (i.e., it appears to treat part of Sandton's senior secured claim the same way as BDC's subordinate secured claim and the same way as unsecured creditors). In addition, the LOI has provided no actual evidence of Shopley's ability to access the [redacted] of cash – an amount that the Applicants understand to be approximately [redacted] Shopley's annual revenue – that Shopley currently considers paying as the minimum cash consideration. There is also no evidence whatsoever to justify the proposed valuation of the equity. Finally, there is no provision for a wind-up reserve or for amounts sufficient to satisfy priority payables or cure costs. Any such amounts would need to be deducted from the recoveries otherwise available to creditors.

- **Material Contracts:** With respect to item 6(e), the Applicants may be unable to satisfy this condition. Compliance will depend on which material contracts are ultimately included in the "Acquired Assets", as certain of the Applicants' contracts are subject to significant existing financial defaults. Under the existing APA, the Purchaser has agreed to assume all cure costs to the extent they are not paid on closing.

- **Transition Period:** The LOI provides that the definitive documentation would include a 30-day transition period, during which time Paystone's senior leadership will assist in transitioning the business to Shopley. This has not been agreed to by Paystone's senior leadership.

- **Access to Information:** Given Shopley is a competitor to the Applicants (and particularly in light of Mr. Levely's verbal communication to the Applicants' principals that he intends to pursue the Applicants' partners and clients if certain unsecured amounts are not paid to him), this provision is overbroad and unacceptable.

- **Lack of Support from Sandton**: The Sale Transaction is supported by Sandton. Sandton has advised the Applicants that it does not support the transaction contemplated by the LOI.

- **Treatment of Employees:** The LOI is silent on the treatment of employees. As discussed in the Affidavit of Adam Zalev sworn June 5, 2026, the Purchaser intends to assume substantially all of the Applicants' employees.

Based on the above, it remains the Applicants' intention to seek approval of the Sale Transaction at the hearing scheduled before the Court on June 22, 2026.

Yours truly,

Sean Zweig

Sean Zweig

cc. Thomas Gray & Jamie Ernst, *Bennett Jones LLP*
Noah Goldstein & Jordan Wong, *AlixPartners Restructuring, Inc.*
Marc Wasserman & Martino Calvaruso, *Osler, Hoskin & Harcourt LLP*
Kourtney Rylands & Jasmine Landau, *McMillan LLP*
Brendan O'Neill & Bradley Wiffen, *Goodmans LLP*

THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT
OF ADAM ZALEV, SWORN BEFORE ME
THIS 21ST DAY OF JUNE, 2026.

THOMAS GRAY
A Commissioner for taking Affidavits
(or as may be)

From: Sean Zweig
To: Jasmine Landau; Kourtney Rylands; Adam Zalev; Darcy Eveleigh; Jamie Ernst
Cc: MALIK, Imran (CAL); Thomas Gray; Ryan Gruneir
Subject: RE: Paystone
Date: Sunday, June 21, 2026 8:55:05 AM
Attachments: image001.png

Hi Jasmine,

We assumed final settlement authority could not be obtained this weekend. That is why my original email advised that if we can make meaningful progress with Mr. Malik this weekend, we would be prepared to consider a short adjournment to allow BDC to seek whatever internal approvals are required. Again, we had understood from Mr. Malik's affidavit served end of day on Friday that he had interest in engaging to discuss a resolution. We did not expect that he and the rest of the BDC team (excluding counsel) would then be unavailable all weekend. We do not have a specific written proposal to make; we wanted to engage in dialogue to see if we could find middle ground. If your only instructions are just to listen, there is no reason to have a call.

Sean Zweig
Partner,* Bennett Jones LLP
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From: Jasmine Landau <jasmine.landau@mcmillan.ca>
Sent: Saturday, June 20, 2026 5:03 PM
To: Sean Zweig <ZweigS@bennettjones.com>; Kourtney Rylands <Kourtney.Rylands@mcmillan.ca>; Adam Zalev <azalev@reflectadvisors.com>; Darcy Eveleigh <develeigh@reflectadvisors.com>; Jamie Ernst <ernstj@bennettjones.com>
Cc: MALIK, Imran (CAL) <Imran.MALIK@bdc.ca>; Thomas Gray <GrayT@bennettjones.com>; Ryan Gruneir <rgruneir@reflectadvisors.com>
Subject: RE: Paystone

Hi Sean,

We have instructions to hear what the Applicants would like to propose. We are here to listen. Please let us know what time works.

Thanks,

Jasmine

mcmillan

Jasmine Landau
Associate
416.865.7281 | jasmine.landau@mcmillan.ca

Assistant: Michelle Dalli | 416.865.7177 | michelle.dalli@mcmillan.ca

---

From: Sean Zweig <ZweigS@bennettjones.com>
Sent: Saturday, June 20, 2026 17:01
To: Jasmine Landau <jasmine.landau@mcmillan.ca>; Kourtney Rylands <Kourtney.Rylands@mcmillan.ca>; Adam Zalev <azalev@reflectadvisors.com>; Darcy Eveleigh <develeigh@reflectadvisors.com>; Jamie Ernst <ernstj@bennettjones.com>
Cc: MALIK, Imran (CAL) <Imran.MALIK@bdc.ca>; Thomas Gray <GrayT@bennettjones.com>; Ryan Gruneir <rgruneir@reflectadvisors.com>
Subject: RE: Paystone

Hi Jasmine,

Unless McMillan has instructions regarding settlement parameters, we don't see any value in a call without BDC. Please let us know if/when BDC is available, or if/when you get those instructions.

Sean Zweig
Partner,* Bennett Jones LLP
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From: Jasmine Landau <jasmine.landau@mcmillan.ca>
Sent: Saturday, June 20, 2026 4:32 PM
To: Sean Zweig <ZweigS@bennettjones.com>; Kourtney Rylands <Kourtney.Rylands@mcmillan.ca>; Adam Zalev <azalev@reflectadvisors.com>; Darcy Eveleigh <develeigh@reflectadvisors.com>; Jamie Ernst <ernstj@bennettjones.com>
Cc: MALIK, Imran (CAL) <Imran.MALIK@bdc.ca>; Thomas Gray <GrayT@bennettjones.com>; Ryan Gruneir <rgruneir@reflectadvisors.com>

Subject: RE: Paystone

Hi Sean,

McMillan is free, although we may not be able to get BDC on the call. We will make ourselves available for a call anytime today, preferably in next 3-4 hours. Please let us know what works.

Thanks,
Jasmine

mcmillan

Jasmine Landau
Associate
416.865.7281 | jasmine.landau@mcmillan.ca

Assistant: Michelle Dalli | 416.865.7177 | michelle.dalli@mcmillan.ca

---

From: Sean Zweig <ZweigS@bennettjones.com>
Sent: Saturday, June 20, 2026 12:24
To: Jasmine Landau <jasmine.landau@mcmillan.ca>; Kourtney Rylands <Kourtney.Rylands@mcmillan.ca>; Adam Zalev <azalev@reflectadvisors.com>; Darcy Eveleigh <develeigh@reflectadvisors.com>; Jamie Ernst <ernstj@bennettjones.com>
Cc: MALIK, Imran (CAL) <Imran.MALIK@bdc.ca>; Thomas Gray <GrayT@bennettjones.com>; Ryan Gruneir <rgruneir@reflectadvisors.com>
Subject: RE: Paystone

Without Prejudice

McMillan Team,

We have reviewed the Malik Affidavit, and it appears as though BDC would like an opportunity to discuss a potential resolution with the Applicants. We have always been, and remain, open to a discussion. Can you please let us know your availability for a call this weekend where BDC, McMillan, Reflect and Bennett Jones can discuss? We will do our best to accommodate whatever times work on your end.

We are obviously short on time with the hearing scheduled for Monday and we understand that BDC has internal processes that may take some time, but to the extent we can make meaningful progress toward a settlement this weekend, the Applicants would consider a very short adjournment to see if we can reach a resolution.

Thank you,

Sean Zweig
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McMillan s'engage à vous envoyer des communications électroniques appropriées pour vous et votre entreprise. Pour vous abonner et recevoir des communications électroniques de notre part, ou pour vous désabonner et ne plus recevoir de telles communications, veuillez visiter le **centre d'abonnement en ligne de McMillan**.

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

Court File No.: CL-26-00000261-0000

AND IN THE MATTER OF PAYSTONE HOLDINGS INC., PAYSTONE INC., ATOM GROWTH INC., and ATOM GROWTH (USA), INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings Commenced in Toronto

AFFIDAVIT OF ADAM ZALEV
(Sworn June 21, 2026)

BENNETT JONES LLP
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Lawyers for the Applicants