

Court File No. 31-3270451
Estate File No. 31-3270451

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
AZURE PUBLISHING INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

FIRST REPORT TO COURT OF THE PROPOSAL TRUSTEE

DATED OCTOBER 9, 2025

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INTRODUCTION

1. On September 10, 2024 (the “**Filing Date**”), Azure Publishing Inc. (“**Azure**” or the “**Company**”) filed with the Official Receiver a Notice of Intention to Make a Proposal (“**NOI**”) to its creditors and named Dodick Landau Inc. (“**DLI**”) as Proposal Trustee (the “**Proposal Trustee**”). Attached as **Appendix “A**” is the Certificate of Filing of a NOI.
2. An overview of Azure’s business operations and financial difficulties which led to the filing of the NOI is set out in the Affidavit of Sergio Sgaramella (“**Sgaramella**”) sworn October 8, 2025 (the “**Sgaramella Affidavit**”). The Sgaramella Affidavit was served and filed with the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) in support of Azure’s motion for the relief set out therein.
3. All capitalized terms used in this report (the “**Report**”) but not otherwise defined shall have the meaning ascribed to such terms in the Sgaramella Affidavit.
4. The purpose of this Report of the Proposal Trustee is to provide the Court with information pertaining to the following:
 - i) background information about Azure;
 - ii) Azure’s request for an extension of the time for filing a proposal to November 24, 2025;
 - iii) Azure’s projected cash flow for the period from August 22, 2025 to December 5, 2025;
 - iv) the Sale and Investment Solicitation Process (“**SISP**”);
 - v) Azure’s request that it be authorized to obtain and borrow interim financing, including approval of the terms of the debtor in possession (“**DIP**”) lending facility;
 - vi) the proposed charges (the “**Charges**”) sought by Azure; and
 - vii) the Proposal Trustee’s recommendation that this Court make an order, as requested by Azure;
 - a) approving the extension of time for filing a proposal to November 24, 2025;
 - b) approving the SISP;

- c) approving the Charges; and
- d) authorizing Azure to pay limited, critical pre-filing creditors, if in the opinion of Azure and the Proposal Trustee such payments are critical to the business and ongoing operations of Azure, up to a maximum aggregate amount of \$88,500 in accordance with the list of critical pre-filing creditors provided to the Proposal Trustee.

TERMS OF REFERENCE

5. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, Azure's books and records, discussions with the management of Azure ("**Management**") and information from other third-party sources (collectively, the "**Information**").
6. Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Canadian Institute of Chartered Accountants Handbook (the "**CPA Handbook**") and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
7. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CPA Handbook, has not been performed. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations may be material.
8. The Proposal Trustee has prepared this Report in its capacity as a Court appointed officer and has made a copy of this Report available on the Proposal Trustee's website at www.dodick.ca for purposes of Azure's motion returnable October 10, 2025. Parties using this Report, other than for the purpose of the motion, are cautioned that it may not be appropriate for their purposes.

9. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

10. As detailed in the Sgaramella Affidavit, Azure operates an award-winning international magazine with a focus on contemporary architecture and design. It produces a print magazine six times per year. It also organizes the 'AZ Awards' which is an annual international competition featuring the best architectural works and projects in the industry, as well as an annual conference on climate change mitigation (collectively the "**Business**").
11. Azure employs 15 direct employees that are critical to the continued operations as they possess skills, knowledge and relationships necessary to maintain going concern operations.
12. Azure's cash flow difficulties are attributed to the downward decline in the number of subscribers over many years which led to its declining profitability and ultimately losses.
13. In response to the Company's increasing cash flow pressures, Azure successfully diversified its platform with the introduction of the 'AZ Awards' competition, the 'Human/Nature Conference', and other industry events, but notwithstanding these efforts it has not been able to fully compensate for the diminishing print revenue. As a result, Azure has had to rely on a party related to Sgaramella, one of its shareholders, to fund its losses and the related party is no longer prepared to continue to fund operations, except by way of a DIP loan.
14. Based on the compounding financial pressures facing the Company, it determined it required a long-term solution to stabilize and restructure its business. Accordingly, the Company filed its NOI on September 10, 2025, with a view to carrying out a SISF in order to transfer the operations of the business to a third-party that has the existing structure and the financial means to maintain the business as a going concern.

CREDITORS

Secured Claims

15. Pursuant to a Promissory Note dated July 18, 2024, 1449483 Ontario Limited ("**1449483**"), a company for which Sgaramella is the sole director, provided Azure with

a borrowing facility for up to \$800,000 (the “**Loan Facility**”). At the date of this Report, Azure has drawn approximately \$565,000 from the Loan Facility. Azure’s obligations to 1449483 under its Promissory Note are secured by a general security agreement dated July 18, 2024 against all present and after acquired personal property of Azure, registered under the Ontario *Personal Property Security Act*. 1449483 has determined it is unable to continue to fund Azure without a plan for the business that will end the continued need for funding in the near term.

Unsecured Creditors

16. In addition, Azure has unsecured creditors at the date of the NOI totaling approximately \$180,000.

INTERIM FINANCING

17. As described in the Sgaramella Affidavit, Azure’s liquidity constraints have resulted in it not having sufficient funds to continue operating its business absent additional financing.
18. In order to allow the Company to continue operating and to bridge to the completion of the potential sale transaction, 1449483 – the secured creditor and an affiliated entity – (“**DIP Lender**”) has agreed to extend further financing to the Company. The DIP lending agreement was executed, subject to Court approval. A copy of the DIP lending agreement (“**DIP Agreement**”) is attached hereto as **Appendix “B”**.
19. The terms of the DIP Agreement include the following key provisions:
 - i) the total available funds under the DIP facility shall not exceed \$230,000 (the “**Interim Facility**”);
 - ii) the Interim Facility may only be used for the purposes contemplated by the Cash Flow Forecast (defined further herein), including payment of limited pre-filing obligations to critical pre-filing vendors, subject to the approval of the Court, as discussed further herein;
 - iii) interest shall be payable at the rate of 5% per annum on the daily balance outstanding under the Interim Facility; and

- iv) the Interim Facility matures on the earlier of: a) December 19, 2025; b) the closing of sale or investment transaction resulting from the SISP; c) the implementation of a Proposal; d) the date on which the proceedings are terminated or converted into a bankruptcy proceeding; e) the occurrence of an Event of Default (as defined in the DIP Agreement); or f) the date of the acceleration of the DIP loan and the termination of the commitment with respect to the DIP loan as a result of an Event of Default.
20. The Cash Flow Forecast indicates that Azure will require shareholder loans and advances under the Interim Facility, should Court approval be granted, in order to fund the Company's cash flow shortfall through December 5, 2025, the end of the Cash Flow Forecast Period (defined further herein). While the Cash Flow Forecast Period ends beyond the period of the proposed extension to the stay of proceedings, it is anticipated that should the SISP result in a buyer/investor, an additional short extension of the NOI may be required in order to allow the transaction to close and, therefore, DIP funding will be required up to closing.
21. The Cash Flow Forecast anticipates a total funding requirement of \$355,000. To date, advances by the shareholder total \$195,000 during the Cash Flow Period, resulting in \$160,000 in advances remaining for the Cash Flow Forecast Period. However, the Cash Flow Forecast forecast \$165,000 as being required to date, resulting in a \$30,000 unfavourable variance (\$195,000 - \$165,000). Management has indicated that it will require up to a further \$230,000 for the balance of the Cash Flow Period, or \$70,000 more than what the Company had originally forecast, including the additional \$30,000 already borrowed to date, for a total of \$425,000 instead of the \$355,000 originally anticipated. The DIP Lender is agreeable to fund the \$230,000 forecast to be needed for the remaining period of the Cash Flow Forecast.
22. It is a fundamental term of the DIP Agreement that (i) the Court grant a charge in favour of the DIP Lender against the assets of Azure (the "**DIP Charge**") securing all amounts owing under the DIP Agreement; and (ii) the Interim Facility shall rank behind the Administration Charge and KERP Charge (each as defined below) but in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person.
23. The Proposal Trustee is of the view that approval of the DIP Agreement and the Interim Facility contemplated therein, and granting of the DIP Charge:

- i) is required to fund the operations of Azure's while it carries out its restructuring;
 - ii) will enhance the prospects of a viable proposal being made by Azure;
 - iii) will not be materially prejudiced the creditors of Azure; and
 - iv) is in the best interests of the Company and its stakeholders.
24. Absent such relief, Azure will be unable to fund its going concern operations while it conducts its sale process and operations would cease. Furthermore, the Proposal Trustee is of the view that the terms and costs associated with the Interim Facility are commercially reasonable in the circumstances for an Interim Facility for a business in circumstances similar to Azure's.
25. Without access to financing under the Interim Facility, the Company will: (i) not be able to maintain its operations, preserve asset value or implement restructuring steps; and (ii) be forced to wind down its operations and commence a liquidation of its assets, resulting in the loss of value and 15 jobs to the material detriment of its creditors and stakeholders.

EXTENSION OF STAY OF PROCEEDINGS

26. Azure is seeking an extension of the time for the filing of the proposal up to and including November 24, 2025, for a total of 45 days following the expiration of the initial 30-day stay of proceedings.
27. The stay extension is required to provide Azure with the necessary time to preserve its Business while it engages in the proposed SISF with a view to either obtaining additional investment or completing a sale of its assets.
28. The Proposal Trustee is of the view that Azure is acting in good faith and with due diligence in formulating and implementing a restructuring plan that would preserve its Bbusiness.
29. Without the requested extension of the Stay Period being granted, Azure will not have the opportunity to formulate and implement a restructuring plan and will become bankrupt to the detriment of its stakeholders.
30. In contrast, no creditor will be materially prejudiced if the request extension is granted. If

the extension applied for is granted, Azure will have the time required to complete the proposed SISP and will have the opportunity to restructure.

WEEKLY CASH FLOW FORECAST

31. Azure, with the assistance of the Proposal Trustee, has prepared a weekly cash flow forecast (“**Cash Flow Forecast**”) for the period from August 22, 2025 to December 5, 2025 (“**Cash Flow Period**”). A copy of the Cash Flow Forecast is attached hereto as **Appendix "C"**. The Cash Flow Forecast has been prepared by Management of Azure for the purpose of this motion, using probable and hypothetical assumptions set out in notes 1 to 8 to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over a fifteen-week forecast period.
32. The Cash Flow Forecast projects that Azure will have sufficient liquidity, to fund its expenses and the Proposal proceeding throughout the proposed extension of the stay of proceedings¹.
33. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by certain of the Management and employees of Azure. Since hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee has also reviewed the support provided by Management of Azure for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.
34. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:
 - i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - ii) as at the date of this Report, the probable assumptions developed by management are not suitably supported and consistent with the plans of Azure or do not provide

¹ Since the filing of the Cash Flow Forecast, Management now anticipates that in addition to the \$195,000 already funded by the shareholder it will require up to a further \$230,000 of funding for total cash flow needs of \$425,000. The Interim Facility of \$230,000 provides for remaining funding required.

a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions;
or

- iii) the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.
35. As described in the disclaimer above, since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether the Cash Flow Forecast will be achieved. In addition, the Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of financial information presented in the Cash Flow Forecast, or relied upon by the Proposal Trustee in preparing this Report.
36. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

SALE AND INVESTOR SOLICITATION PROCESS

Overview of the Proposed SISP

37. To complement the Company's prior and ongoing operational restructuring efforts, the Company has determined that a sale and investment solicitation process is critical to developing a long-term solution to the Company's liquidity challenges and maximizing stakeholder interests. Accordingly, the Company, in consultation with the Proposal Trustee developed the SISP.
38. The SISP is intended to widely expose the Company's Business to the market and provide a structured and orderly process for interested parties to perform due diligence and submit offers for a potential transaction.
39. The SISP is a transparent and objective process that will be implemented and supervised by the Proposal Trustee as an officer of this Court. The Company will continue to operate in the normal course during the SISP to preserve and maximize going-concern value of the Business. A copy of the SISP is attached as **Appendix "D"**.
40. The Proposal Trustee, with the assistance of the Azure's management will, among other

things:

- i) prepare a list of known interested parties, including those parties that previously expressed interest prior to October 17, 2025, and additional local or international parties identified by the Company and the Proposal Trustee;
- ii) prepare a teaser detailing the opportunity ("**Teaser**");
- iii) prepare a non-disclosure agreement (the "**NDA**") to be executed by potential purchasers in order to conduct due diligence;
- iv) compile information to be included in an electronic data room (the "**Data Room**") to be provided to potential purchasers upon executing the NDA;
- v) place a notice of the SISP in '*Insolvency Insider*', an independent publication dedicated to the Canadian insolvency market;
- vi) cause the teaser and NDA to be sent to each known interested party, as well as any other party who requests them or is identified as a potential bidder;
- vii) coordinate all reasonable requests for information and due diligence access for each potential bidder who executes the NDA. Due diligence will include access to the Data Room, and may include meetings with management, and other reasonable requests at the Proposal Trustee's discretion, taking into account factors such as competitive and other business considerations;
- viii) review and assess offers received for the assets of Azure ("**Assets**") and negotiate the same for the purpose of clarifying or amending the terms; and
- ix) report to Court on the results of the SISP and the Proposal Trustee's recommendation in respect of the successful bid.

The SISP Timeline

41. The SISP contemplates a 30-day, single phase sale process that will be managed by the Proposal Trustee with a deadline for offers of no later than 3:00pm (Toronto time) on November 17, 2025 (“**Bid Deadline**”).
42. A summary of the timelines is provided below:

Activity	Timeline
Commence SISP	October 17, 2025
Bid Deadline	November 17, 2025
Successful Bidder	November 19, 2025
Seek Court approval	November 24, 2025 (subject to Court approval)
Closing date	as soon as possible and no later than 11 days after Court approval

43. The SISP provides that the Proposal Trustee may extend the above deadlines up to seven days, or for a longer period by Court order. The ability to extend deadlines provides the Proposal Trustee and the Company with the necessary flexibility to maximize the Company’s success in the SISP.
44. The timeline of the SISP was designed to balance the limitations of the Company’s financial position with the need for sufficient flexibility to allow interested parties a reasonable opportunity to formulate and submit bids to maximize the Company’s success in the SISP.
45. Given that certain expressions of interest in the Business have already been received to date by the Company, it also believes that the timeline of the SISP is sufficient to canvass the rest of the market. The Proposal Trustee is supportive of the timelines in the SISP based on its discussions with the Company.

Qualified Bids

46. To be a “Qualified Bid”, a bid must meet the following requirements:
 - i) be accompanied by a deposit of at least 10% of the purchase price (“**Purchase Price**”), to be retained by the Proposal Trustee in trust;

- ii) contain an executed binding transaction document(s), including all exhibits and schedules contemplated thereby, describing the terms and conditions of the proposed transaction, including any liabilities proposed to be assumed, the Purchase Price, the structure and financing of the proposed transaction;
 - iii) state it is not conditional upon any condition or contingency relating to due diligence, financing or another material conditions precedent to the bidder's obligation to complete the transaction;
 - iv) be submitted by the Bid Deadline;
 - v) provide evidence satisfactory to the Company and Proposal Trustee of the financial ability of the bidder to consummate the transaction;
 - vi) acknowledge that the offer is expressly made on an "as is, where is" basis in all respects; and
 - vii) describe the intended treatment of the Company's stakeholders including secured creditors, unsecured creditors, employees, customers, suppliers, and contractual counterparties.
47. For greater certainty, a Qualifying Bid to acquire the assets of the Company may be an offer to acquire all or part of the assets of the Company. Additionally, a Qualified Bid may include an offer of investment in Azure.

Court Approval and Closing

48. Upon consideration of the offers submitted the Proposal Trustee will, in consultation with the Company, select the successful bid ("**Successful Bid**"). Thereafter the Company will bring a motion to the Court on notice to the service list for an order approving the Successful Bid. The Company, with the assistance of the Proposal Trustee, will then proceed to close the transaction as soon as possible after Court approval is granted.

COURT ORDERED CHARGES

49. Azure is seeking an order providing the following Charges: Administration Charge, KERP Charge and DIP Charge.

Administration Charge

50. Azure is seeking a charge (the “**Administration Charge**”), in a maximum amount of \$100,000, against the assets of Azure, to secure the fees and disbursements incurred in connection with services rendered to Azure both before and after the commencement of the proposal proceedings by the following entities: the Proposal Trustee, its counsel and counsel to Azure, and in the event of a bankruptcy, the trustee in bankruptcy and its counsel, which charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person.
51. The quantum of the Administration Charge sought by Azure was determined in consultation with the Proposal Trustee and is, in the view of the Proposal Trustee, reasonable and appropriate in the circumstances and should be granted by the Court. The creation of the Administration Charge is typical in similar proceedings, as is the proposed priority of the Administration Charge, as set out in the form of draft order filed with the Court.
52. The Administrative Charge shall rank ahead of all other secured trusts and encumbrances and claims on Azure’s property assets and undertakings.

KERP Charge

53. In September 2025, Azure instituted a 25% reduction to all employee salaries for three months as a means of reducing Azure’s cash flow shortfall over the restructuring period, and the amount that will need to be funded by the DIP lender. At the time there were 15 full-time employees. In exchange for this concession, employees were offered a Key Employee Retention Plan (“**KERP**”), subject to this Court’s approval, which includes the opportunity for employees who elect to sign the KERP to recover the full amount of their salary reduction depending on the completion of a successful transaction for the Company at a pre-established sale price. The Company provided limited funding for the employees to hire legal counsel to provide them with independent legal advice (“**ILA**”) with respect of the salary reduction and KERP. To date, a group of employees have signed the KERP and one has resigned. The remaining employees have not yet responded to the KERP offer following receipt of ILA.

54. Azure is seeking approval of the KERP and a priority charge against the assets of Azure in an amount not to exceed \$70,000 (the “**KERP Charge**”) securing amounts owing to the key employees (the “**KERP Participants**”) under the KERP, which charge shall rank ahead of all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person, including the DIP Charge but shall rank behind the Administration Charge.
55. The Proposal Trustee has reviewed the terms of the KERP and discussed the need for the same with the Company. The Proposal Trustee is satisfied that the terms of the KERP are reasonable, as is the quantum and mechanics of the payments contemplated thereby, and that the KERP Participants perform important management or business functions and the institutional knowledge and skills possessed by them are irreplaceable, making their continued engagement vital to Azure’s operations during these NOI proceedings.
56. For the reasons set out above, in the view of the Proposal Trustee, the terms of the KERP are reasonable and appropriate in the circumstances, as is the proposed priority of the KERP Charge as set out in the form of draft order filed with the Court. Such relief is consistent with insolvency practice in similar proceedings. For these reasons, the Proposal Trustee recommends the Court approve the KERP and the KERP Charge.

DIP Charge

57. Azure requires immediate funding to maintain their existing operations and to pursue their restructuring plan, as evidenced by the Cash Flow Forecast.
58. As noted above, a condition of the DIP Agreement is that the DIP Lender receives the benefit of a DIP Charge to the maximum amount of the aggregate of any and all advances by the DIP Lender to Azure pursuant to the DIP Agreement. The Proposal Trustee supports Azure’s request for the DIP Charge, which is subordinate only to the Administration Charge and the KERP Charge.
59. For the reasons set out above, in the view of the Proposal Trustee, the DIP Agreement is reasonable and appropriate and is typical in similar proceedings, as is the proposed priority of the DIP Charge as set out in the form of draft order filed with the Court. For

these reasons, the Proposal Trustee recommends the Court approve the DIP Agreement and the DIP Charge.

PAYMENT OF CERTAIN PRE-FILING AMOUNTS

60. Azure is seeking authority to pay certain limited expenses incurred prior to the Filing Date up to the aggregate amount of \$88,500, subject to the prior approval of the Proposal Trustee or the Court. When it completed its Cash Flow Forecast, the Company originally projected critical vendor payments of approximately \$98,000, but the required payments have since been reduced, and shall not exceed \$88,500.
61. The Proposal Trustee has been advised that these expenses are related to certain amounts owed to Azure's critical suppliers including the paper supplier, the printer, the magazine distributor and the event coordinator for the Company's critical fall conference.
62. As detailed in the Sgaramella Affidavit, Azure is of the view that there is a significant risk that these suppliers will not continue to provide their goods and services to Azure if their respective pre-filing amounts are not paid.
63. The Proposal Trustee agrees with Azure that absent the continued supply of the goods and services identified above, Azure could not continue its existing operations, which would have a significant and immediate detrimental impact on the business, operations and cash flows of Azure. However, the Proposal Trustee also recognizes that Azure's funding is limited and will work with them to ensure that payment to such suppliers in respect of pre-filing liabilities are minimized.
64. The Proposal Trustee supports Azure's request to authorize payment of certain pre-filing amounts to certain critical vendors, up to a maximum aggregate amount of \$88,500, but only with the prior consent of the Proposal Trustee or the Court. Payment of these pre-filing amounts has been reflected in the Company's Cash Flow Projection at the original amount of \$98,000.

CONCLUSION AND RECOMMENDATION

65. Based on all the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief requested by Azure, as summarized in paragraph 4 of this Report.

All of which is respectfully submitted on the 9th day of October 2025.

DODICK LANDAU INC.

In its capacity as the Proposal Trustee of Azure Publishing Inc. and not in its personal or corporate capacity.

Per:



Rahn Dodick, CPA, CA, CIRP, LIT
President

APPENDIX “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-3270451
Estate No.: 31-3270451

In the Matter of the Notice of Intention to make a proposal of:

Azure Publishing Inc.

Insolvent Person

DODICK LANDAU INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

September 10, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 10, 2025, 13:33

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

APPENDIX “B”

DEBTOR-IN-POSSESSION LOAN AGREEMENT

This Debtor-in-Possession Loan Agreement (“**DIP Loan Agreement**”) dated the 8th day of October, 2025, sets out the terms and conditions upon which 1449483 Ontario Ltd. will provide debtor-in-process financing to the Borrower (as defined below) in consideration of the mutual covenants, terms and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

Borrower:	Azure Publishing Inc. (the “ Borrower ”)
DIP Lender:	1449483 Ontario Ltd., or an affiliated entity (the “ DIP Lender ”)
Proposal Trustee:	Dodick Landau Inc. in its capacity as proposal trustee (in such capacity, the Proposal Trustee) in connection with the Borrower’s proceedings (the “ BIA Proceedings ” or “ Proceedings ”) under the <i>Bankruptcy and Insolvency Act (Canada)</i> (the “ BIA ”) commenced by a Notice of Intention to Make a Proposal in respect of the Borrower filed on September 10, 2025.
Type of DIP Loan:	Loan from the DIP Lender to the Borrower of up to a maximum amount of CAD\$230,000.00 (the “ DIP Loan ”), secured by way of the DIP Charge (defined herein) to be available to the Borrower with the agreement of the Proposal Trustee subject to and in accordance with the terms herein.
Availability:	Subject to the fulfillment of the applicable condition’s precedent to the availability of the DIP Loan set out herein and the Borrower’s adherence to the Approved Cash Flows (as herein defined), and provided that no Event of Default (as defined below) has occurred and is then continuing, advances of the DIP Loan shall be made by the DIP Lender to the Borrower.
Purpose, Use of Proceeds:	The proceeds of the DIP Loan will be used by the Borrower to fund: the cash flow requirements (operations and professional fees) of the Borrower on a going concern basis provided that the same is (i) in accordance with the Approved Cash Flows, unless approved in writing by the DIP Lender and the Proposal Trustee, and (ii) not on account of a liability that existed prior to September 10, 2025, unless such payment is approved by the Court.
Closing Date:	On the later of October 10, 2025 and receipt of the approval of the DIP Loan charge by the Court, unless otherwise agreed by the Borrower and the DIP Lender (the “ Closing Date ”).
Maturity and or Termination Date:	<p>The maturity of the DIP Loan (the “Termination Date”) shall be the earliest of:</p> <ul style="list-style-type: none"> (a) December 19, 2025; (b) the closing of a sale or investment transaction resulting from the Proceedings (a “Transaction”); (d) the implementation of a Proposal in the Proceedings under the BIA; (e) the date on which the Proceedings are terminated or are converted into a bankruptcy proceeding; and (f) the occurrence of an Event of Default (as defined herein); and (g) the date of the acceleration of the DIP Loan and the termination of the commitment with respect to the DIP Loan as a result of an Event of Default (as defined herein). <p>All outstanding amounts under the DIP Loan, together with all interest accrued in respect thereof and all other amounts owing under this DIP Loan Agreement shall be payable in full on the Termination Date.</p>
Interest Rate:	All amounts outstanding under the DIP Loan will bear interest at a rate of 5% per annum, on the daily balance outstanding under the DIP Loan.

	Interest shall be due, owing, payable and repaid at the Termination Date without further notice, protest, demand or other act on the part of the DIP Lender.
Finance Fee:	Borrowings under the DIP Loan are not subject to any fee.
Repayment:	Unless otherwise repaid as contemplated herein, the DIP Loan shall be due, owing, payable and repaid as the Termination Date without further notice, protest, demand or other act on the part of the DIP Lender.
Mandatory Prepayments:	The DIP Loan shall be repaid in full from the net proceeds of any Transaction involving the Borrower.
Representations and Warranties:	<p>The Borrower represents and warrants to the DIP Lender as of the date hereof, and as of the date of each advance under the DIP Loan, that:</p> <p>(a) the Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization, has all requisite power to carry on business as now and formerly conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to constitute a material adverse effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required;</p> <p>(b) the execution, delivery and performance, as applicable, of this DIP Loan Agreement has been duly authorized by all actions, if any, required on the part and by the Borrower's directors, and constitutes a legal, valid and binding obligation of the Borrower enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application that limit the enforcement of creditors' rights generally and to general equitable principals;</p> <p>(c) the Approved Cash Flows represent the Borrower's best estimate as at each applicable date of the likely results of the operations of the Borrower during the period applicable thereto and, to the Borrower's knowledge, such results are achievable as provided therein;</p> <p>(d) there are no arrears for any statutory remittances, withholding taxes or other amounts that, if unpaid, would have the benefit of an encumbrance or deemed trust in priority to the DIP Security and the DIP Charge (as defined herein), such as without limitation taxes under the Excise Tax Act (Canada) and any source deduction remittances to the Canada Revenue Agency, except those accruing in the normal course and not yet due; and</p> <p>(e) except in respect of periods preceding September 10, 2025, all employee wages and other amounts owing to employees are up-to-date and there are no amounts owing in respect of wages, termination pay, severance pay, vacation pay, pension benefit contributions or other benefits except those accruing in the normal course and in accordance with the established practices and arrangements of the Borrower.</p>
Covenants:	<p>(a) the Borrower shall pay all amounts and satisfy all obligations in respect of the DIP Loan, including the Financing Fee;</p> <p>(b) the Borrower shall not make or permit to be made any payment on account obligations owing as at September 10, 2025, without the prior consent of the Proposal Trustee, the DIP Lender and pursuant to an order of the Court;</p> <p>(c) the Borrower shall not undertake any actions with respect to its assets, business operations and/or capital structure which would, in the sole determination of the DIP Lender, have a material adverse effect on the Borrower or the Collateral (as defined below);</p>

	<p>(d) the Borrower shall not incur any indebtedness, including the giving of guarantees, other than indebtedness specifically contemplated herein or permitted in writing by the DIP Lender;</p> <p>(e) the Borrower shall not incur, create, assume or suffer to exist any lien, charge, security interest or other encumbrance on any of the Collateral (as defined below) now owned or hereafter acquired other than: (i) those encumbrances existing as of September 10, 2025, (ii) the key employee retention plan (“KERP”) charge, (iii) critical vendor charge, (iv) the DIP Charge (as defined herein), and (v) the Administration Charge, to be granted by the Court;</p> <p>(f) the Borrower shall not enter into any other credit facility or loan arrangements that would be secured in priority to or pari passu with the DIP Loan;</p> <p>(g) the Borrower shall not enter into any Transaction without the prior written consent of the DIP Lender;</p> <p>(h) without the prior written consent of the DIP Lender, the Borrower shall not: (i) declare or pay any dividends on, or make any other payments or distributions (whether by reduction of capital or otherwise) with respect to any of their respective issued and outstanding shares or other equity interests, or (ii) grant any loans;</p> <p>(i) the Borrower shall not sell any of its assets outside of the ordinary course of business without the prior written consent of the DIP Lender;</p> <p>(j) the Borrower shall ensure that its senior management team and advisors are available to meet and respond to enquiries and information requests from the Proposal Trustee and the DIP Lender and their advisors as may be reasonably required, and in any event no less frequently than once per week, and to provide them with updates as may be required by the DIP Lender or the Proposal Trustee;</p> <p>(k) the Borrower shall promptly pay all DIP Expenses (as defined below), including all legal and advisory fees and expenses, of the DIP Lender as such DIP Expenses are incurred and invoiced to the Borrower;</p> <p>(l) the Borrower shall pay the fees, if any, owing to the DIP Lender in connection with the DIP Loan (as set out herein or otherwise) promptly when such fees are due;</p> <p>(m) the Borrower shall update the Approved Cash Flows and provide a copy thereof to the DIP Lender and the Proposal Trustee, together with a comparison to the prior version for the DIP Lender’s approval, it being understood that such updated Approved Cash Flows, if approved, become the Approved Cash Flows for purposes hereof; and</p> <p>(n) the Borrower shall provide such other information that the DIP Lender may reasonably request in relation to the BIA Proceedings, the Collateral (as defined below), or the DIP Loan generally.</p>
<p>Security:</p>	<p>As continuing security (the “DIP Security”) for the prompt payment of all amounts payable by the Borrower to the DIP Lender under this DIP Loan Agreement and as continuing security for the due and punctual performance by the Borrower of its existing and future obligations pursuant to this DIP Loan Agreement (the “DIP Obligations”), the Borrower hereby grants, conveys, assigns, transfers, mortgages and charges as and by way of a fixed and specific security interest, mortgage and charge, to and in favour of the DIP Lender, all of its property, assets, rights and undertakings, real and personal, moveable or immovable, tangible and intangible, legal or equitable, of whatsoever nature and kind, wherever located, both present and future, and now or hereinafter owned or acquired (collectively, the “Collateral”).</p>

	<p>The DIP Security shall be elevated by way of a Court-ordered super-priority charge (the “DIP Charge”) which DIP Charge shall rank, in respect of the Collateral, in priority to any security interests, claims, or deemed trusts (statutory or otherwise) but subordinated to the KERP charge and the Administration Charge, without any other formality or requirement, such as without limitation under the <i>Personal Property Security Act</i> (Ontario) or registrations in land registration office(s) or otherwise.</p>
<p>Events of Default:</p>	<p>Each of the following shall constitute an Event of Default:</p> <ul style="list-style-type: none"> (a) the Borrower defaults in the payment of any amount due and payable to the DIP Lender (whether of principal, interest or otherwise) pursuant to this DIP Loan Agreement; (b) any representations and warranties made by the Borrower in this DIP Loan Agreement proves to be incorrect as of the date given including more than an aggregate 15% negative deviation in the cash flow and financial forecast provided by the Borrower; (c) the Borrower fails or neglects to observe or perform any term, covenant, condition or obligation contained or referred to in this DIP Loan Agreement or any other document between the Borrower and the DIP Lender; (d) the stay of proceedings expires without being extended or the BIA Proceedings being dismissed or terminated or the Borrower becoming subject to a proceeding in bankruptcy or receivership or similar insolvency proceeding; (e) the entry of an order staying, amending, reversing, vacating or otherwise modifying or having a material adverse effect with respect to, in each case without the prior written consent of the DIP Lender, the DIP Loan or the DIP Charge; (f) the Borrower undertakes any actions with respect to its assets, business operations and/or capital structure which would, in the sole determination of the DIP Lender, has a material adverse effect on the Borrower or the Collateral; (g) if the Borrower makes any payments of any kind not permitted by this DIP Loan Agreement, or contemplated by the Approved Cash Flows; (h) the occurrence of any other event or circumstance that has, or could reasonably be expected to have, a material adverse effect on either of the Borrower or on the Collateral, including a material adverse change from the Approved Cash Flows as determined by the DIP Lender in its sole discretion; <p>and</p> <ul style="list-style-type: none"> (i) if there is a change in the ownership, control, existing senior operating management arrangements or governance of the Borrower that is not acceptable to the DIP Lender. <p>Upon the occurrence of an Event of Default, without any notice, protest, demand or other act on the part of the DIP Lender, all indebtedness of the Borrower to the DIP Lender shall become immediately due and payable and the DIP Lender shall be able to take all steps necessary to enforce its security. The DIP Lender shall also have the right to exercise all other customary remedies, including, without limitation, the right to enforce and realize on any or all of the Collateral, in each case, upon providing two (2) days prior written notice to the Borrower and the Proposal Trustee, without the necessity of obtaining further relief or an order from the Court.</p>
<p>Fees and Expenses:</p>	<p>In addition to any principal and interest owing under the DIP Loan, the DIP Lender shall be entitled to recover all of its fees, professional fees, expenses and</p>

	<p>out-of-pocket costs incurred, whether or not any of Transaction is completed and whether incurred prior to or after the date of the DIP Order, as well as all expenses of the DIP Lender in connection with the ongoing monitoring, interpretation, administration, protection an enforcement of the DIP Loan, and the enforcement of any and all of its remedies at law (collectively, the “DIP Expenses”)</p>
<p>Conditions Precedent, to first advance:</p>	<p>The conditions precedent to the DIP Loan, include but are not limited to:</p> <ul style="list-style-type: none"> (a) the granting of the DIP Lender’s Charge; (b) the sale and investment solicitation (“SISP”) Order being issued by the Court, in a form satisfactory to the DIP Lender, ; (d) the SISP Order shall not have been vacated, stayed, appealed, subject to leave to appeal, or amended, or varied in a manner not acceptable to the DIP Lender, acting reasonably; (e) the DIP Lender and the Proposal Trustee shall have received and approved a statement and forecast of consolidated cash flows for the Borrower (the “Approved Cash Flows”), and such Approved Cash Flows shall not have been varied or amended without the prior written consent of the DIP Lender, and the Borrower shall be in material compliance with respect to same; and (f) the DIP Lender shall be satisfied that the Borrower has complied with and is continuing to comply in all material respects with all applicable laws, regulations and orders of the Court in the Proceedings; and no Event of Default shall have occurred or shall be reasonably expected to occur; the representations and warranties made by the Borrower in this DIP Loan Agreement being true and correct as of the date given.
<p>Taxation:</p>	<p>All payments of principal, interest and fees will be made free and clear of all present and future taxes, levies, duties or other deductions of any nature whatsoever, levied either now or at any future time.</p>
<p>Governing Law and Forum</p>	<p>This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in such Ontario. The Borrower, the DIP Lender and the Proposal Trustee hereby irrevocably submit to the exclusive jurisdiction of the courts of the Province of Ontario with respect to all matters arising under or in connection with this DIP Loan Agreement.</p>

[Execution page follows.]

IN WITNESS HEREOF, the parties hereby execute this DIP Loan Agreement as of the date first written above.

AZURE PUBLISHING INC.

Signed by:
Per: Sergio Sgaramella
Name: Sergio Sgaramella
Title: President

I have authority to bind the corporation

1449483 ONTARIO LTD.

Signed by:
Per: Sergio Sgaramella
Name: Sergio Sgaramella
Title: President

I have authority to bind the corporation

APPENDIX “C”

Asure Publishing Inc.
 Weekly Cash Flow Forecast
 August 28, 2022 to December 5, 2022
 \$Cdn

Week Ending	Week 1 29-Aug-22	Week 2 05-Sep-22	Week 3 12-Sep-22	Week 4 19-Sep-22	Week 5 26-Sep-22	Week 6 03-Oct-22	Week 7 10-Oct-22	Week 8 17-Oct-22	Week 9 24-Oct-22	Week 10 31-Oct-22	Week 11 07-Nov-22	Week 12 14-Nov-22	Week 13 21-Nov-22	Week 14 28-Nov-22	Week 15 05-Dec-22	TOTAL
Publishing receipts	8,500	21,800	30,000	7,328	31,700	10,492	13,207	78,479	10,492	31,418	34,179	51,750	14,000	39,600	21,750	408,445
Grant receipts	8,500	8,750	8,750	8,750	8,750	28,750	16,250	16,250	16,250	16,250	16,250	16,250	16,250	17,500	7,500	151,000
Receipts	17,000	30,550	38,750	16,078	40,450	39,242	29,457	94,729	26,742	47,668	50,429	67,999	30,250	57,100	29,250	559,445
Distributions	-	4,700	50,166	-	50,166	4,700	-	50,166	-	50,166	4,700	50,166	-	50,166	4,700	319,777
Cost of Labour	-	21,000	-	10,000	-	31,000	30,000	10,000	-	23,000	-	10,000	10,000	-	21,000	144,000
Direct Costs	-	7,000	36,150	17,150	35,450	94,000	40,000	40,000	2,350	27,000	1,350	10,000	1,350	23,300	1,250	290,125
GRM Expenses	-	-	-	-	18,000	-	12,500	22,500	-	23,500	-	17,500	-	25,000	5,000	171,000
Production fees	-	-	-	-	-	-	99,000	-	-	-	-	-	-	-	-	99,000
Other Expenses	500	31,125	106,316	27,150	93,416	110,200	43,750	210,716	2,350	123,666	5,950	72,716	11,350	98,466	81,900	1,033,972
Total Distributions	500	31,125	106,316	27,150	93,416	110,200	43,750	210,716	2,350	123,666	5,950	72,716	11,350	98,466	81,900	1,033,972
Net Cash Flow	8,000	1,425	(11,577)	(11,072)	(52,966)	(70,958)	(14,293)	(115,287)	24,392	(75,998)	24,179	(18,966)	8,350	(11,366)	(53,700)	(476,077)
Bank Balance	124,328	112,378	131,733	66,187	55,115	3,948	1,490	74,577	3,310	37,602	754	26,993	8,987	17,317	10,651	124,328
Operating Bank Balance	8,000	1,425	(17,566)	(11,072)	(52,966)	(70,958)	(14,293)	(115,287)	24,392	(75,998)	24,179	(18,966)	8,350	(11,366)	(53,700)	(476,077)
Add: Shareholder Loan (D/P Flawless)	-	-	-	-	78,000	-	87,000	45,000	10,000	55,000	-	-	-	35,000	45,000	355,000
Closing Bank Balance	132,328	113,793	64,167	55,115	3,948	1,490	74,577	3,310	37,602	754	26,993	8,987	17,317	10,651	3,351	3,351

This statement of forecast cash flow of Asure Publishing Inc. is prepared in accordance with section 90.4 (3) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes and Trustee's report on cash flow statement dated this 28th day of September, 2022.

Dorick Landau Inc.
 Per: *R. Di*
 Ruzin Dodick, CPA, CA, CFP, LIT

Asure Publishing Inc.
 Per: *Sergio Saramella*
 Sergio Saramella, CEO

**AZURE PUBLISHING INC.
MAJOR ASSUMPTIONS
CASH FLOW STATEMENT
FOR THE PERIOD AUGUST 22, 2025 TO DECEMBER 5, 2025 (THE "CASH FLOW PERIOD")**

Azure Publishing Inc. ("Azure" or the "Company") is both a publisher of an architecture and design magazine as well as the coordinator of industry related events. A Notice of Intention to Make a Proposal ("NOI") was filed in respect of Azure on September 10, 2025 ("NOI Filing"). Azure's cash flow projection was prepared by management of Azure.

The cash flow projection is based on the hypotheses that Azure:

- a. will complete a successful proposal;
- b. will pay certain vendors deemed critical their pre-filing payables by the week ending October 10, 2025 following receipt of Court approval; and
- c. will continue operations in the normal course after its NOI Filing.

Receipts:

1. Customer Collections

Receipts are composed of collections from the sale of the Company's magazine from both the print and digital issues as well as receipts from Azure's Human/Nature Conference ("Conference") to be held in Toronto in October. The Conference is forecast to both generate sponsorship receipts as well as ticket sales from participants. Accounts receivable collections are based on historic collection pattern from the magazine as well as forecast ticket sales and sponsorships based on historic collection patterns. All amounts include HST.

Disbursements:

2. Cost of Labour

Azure employs 15 full time employees. Employees have agreed to a permanent 25% salary reduction over the restructuring period, which is reflected in the cash flow forecast. In exchange for this concession employees were offered a Key Employee Retention Plan ("KERP") which includes the opportunity for employees who elect to sign the KERP to recover the full amount of their salary reduction depending on the completion of a successful transaction for the Company at a pre-established sale price.

Azure's payroll is processed through a third-party provider that remits source deductions to CRA on the Company's behalf. Source deduction remittances are current.

3. Direct Costs

Includes rent for Azure's premises as well as direct costs to publish the magazine which is published every other month including: print and paper costs, editorial costs, and mailing costs. The magazine's customers are based in Canada and the US.

4. General and Administrative Expenses

Includes certain software costs, office expenses, travel costs, insurance, and HST, which is remitted monthly to CRA.

Also included is approximately \$170,000 in costs for the Conference. Conference costs include, among other things, the cost for rental of the venue and costs for travel and accommodations for the event speakers.

5. Professional fees

During the Period, legal fees are forecast for Azure's legal counsel, as well as the fees of the Proposal Trustee and its legal counsel, after applying any retainers received prior to the start of the proceeding.

6. Critical Vendors

The cash flow assumes that the Court will approve a critical vendor charge for key vendors identified by the Company. Critical vendor payments are estimated to total approximately \$98,000.

7. Shareholder Financing/DIP Financing

One of the Company's directors has agreed to provide debtor in possession financing, which is necessary for the Company to be able to fund its obligations over the Cash Flow Period. The DIP financing is subject to Court approval.

Based upon the timing of receipt of Court approval of the financing arrangement by Azure, it estimates that the first advance will be received in the week ending October 10, 2025.

The cash flow indicates that \$78,000 will be required in the week ending October 3, 2025, which will be in advance of Court approval of the DIP. The director has agreed to cover this shortfall by way of a shareholder loan in advance of DIP approval.

Advances from the director totaling \$355,000 will be required over the Cash Flow Period.

APPENDIX “D”

Sale and Investment Solicitation Process for Azure Publishing Inc.

October 10, 2025

1. On September 10, 2025, Azure Publishing Inc. (the “**Company**”) filed a Notice of Intention to make a proposal (the “**NOI**”) under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”). Dodick Landau Inc. was appointed as proposal trustee of the Company (the “**Proposal Trustee**”).
2. On October 10, 2025, the Company is seeking a Court order (the “**SISP Approval Order**”) that, among other things, authorizes the Company to implement a sale, refinancing and investment solicitation process (“**SISP**”) in accordance with the terms hereof. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the SISP Approval Order.
3. This SISP sets out the manner in which: (a) binding bids for a sale or other strategic investment or transaction (a “**Transaction**”) involving the business, assets and/or equity of the Company (the “**Opportunity**”), will be solicited from interested parties; (b) any such bids received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of a Successful Bid will be sought.
4. The SISP shall be conducted by the Proposal Trustee in consultation with the Company.
5. The Proposal Trustee, will:
 - (a) disseminate marketing materials and a copy of the SISP to potentially interested parties identified by the Company and the Proposal Trustee, or any other interested party who contacts the Company or the Proposal Trustee;
 - (b) solicit interest from interested parties with a view to such parties entering into non-disclosure agreements (each an “**NDA**”). Parties shall only obtain access to the virtual data room (the “**VDR**”) and be permitted to participate in the SISP if they execute an NDA, in form and substance satisfactory to the Proposal Trustee; provided that those parties that have already executed an NDA with the Company shall not be required to execute a further NDA provided that such prior NDA has not expired or will not expire during the SISP;
 - (c) provide interested parties who have executed an NDA with access to the VDR containing diligence information in respect of the Opportunity; and
 - (d) request that parties submit a binding offer that meets at least the requirements set forth in Section 7 below, as determined by the Proposal Trustee (each a “**Qualified Bid**”), by the Qualified Bid Deadline (as defined below).

6. The SISP shall be conducted subject to the terms hereof and the following key milestones, each of which can be extended by up to seven (7) days by the Proposal Trustee, in consultation with the Company, or for a longer period by Court order:
 - (a) the Court issues the SISP Approval Order approving the SISP by no later than October 10, 2025;
 - (b) the Proposal Trustee, with the assistance of the Company, commences the solicitation process by no later than October 17, 2025, it being understood that the Company, in consultation with the Proposal Trustee, shall be at liberty to provide marketing materials and commence discussions with interested parties prior to such date as they consider appropriate;
 - (c) deadline to submit a Qualified Bid – by no later than 3:00 p.m. (Toronto time) on November 17, 2025 (the “**Qualified Bid Deadline**”);
 - (d) deadline to select a Qualified Bid as the Successful Bid (as defined below)– by no later than 5:00 p.m. (Toronto time) on November 19, 2025;
 - (e) Approval Order (as defined below) hearing – by no later than November 24, 2025, subject to Court availability; and
 - (f) closing of the Successful Bid – as soon thereafter as possible and, in any event, by no later the date that is eleven (11) days after the issuance of the Approval Order (as defined below) (the “**Outside Date**”).

7. In order to constitute a Qualified Bid, a bid must comply with the following:
 - (a) it includes an executed binding Transaction document(s), including all exhibits and schedules contemplated thereby, describing the terms and conditions of the proposed Transaction, including any liabilities proposed to be assumed, the purchase price (the “**Purchase Price**”), and the structure and financing of the proposed Transaction;
 - (b) it contains the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equity holder(s);
 - (c) it includes or is accompanied by evidence satisfactory to the Company and Proposal Trustee of the financial ability of the bidder to consummate the Transaction;
 - (d) it includes full details of the bidder’s intended treatment of the Company’s stakeholders under or in connection with the proposed bid, including the Company’s secured creditors, unsecured creditors, landlords, employees, customers, suppliers, contractual counterparties and equity holders, as appropriate based on the form of offer received;
 - (e) it is binding and irrevocable until: (i) the approval of the successful bid by the Court, and (ii) the closing of the Transaction contemplated by the successful bid;

- (f) it is not conditional upon any condition or contingency relating to due diligence, financing or any other material conditions precedent to the bidder's obligation to complete the transaction;
 - (g) it includes an acknowledgment and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid; (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Company, the Proposal Trustee, and their respective employees, officers, directors, agents, advisors (including legal counsel) and other representatives, regarding the proposed Transaction, this SISP, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed Transaction documents; (iii) is making its bid on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Company, the Proposal Trustee, or any of their respective employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed Transaction documents; (iv) is bound by this SISP and the SISP Approval Order; and (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the SISP or its bid;
 - (h) it is accompanied by a cash deposit (the "**Deposit**") by wire transfer of immediately available funds in an amount equal to at least 10% of the Purchase Price, which Deposit shall be retained by the Proposal Trustee in a non-interest-bearing trust account in accordance with the terms hereof;
 - (i) it includes a statement that the bidder will bear its own costs and expenses (including all legal and advisor fees) in connection with the proposed Transaction;
 - (j) it contemplates closing of the Transaction by not later than the Outside Date;
 - (k) it includes such other information as may be reasonably requested by the Company or Proposal Trustee; and
 - (l) it is received by the Proposal Trustee by the Qualified Bid Deadline at the email addresses specified on Schedule "A" hereto.
8. The Proposal Trustee may waive compliance with any one or more of the requirements specified in Section 7 above and deem a non-compliant bid to be a Qualified Bid.
9. For greater certainty, a Qualifying Bid to acquire the assets of the Company may be an offer to acquire all or part of the assets of the Company. Following selection of the successful bid, if any, the Proposal Trustee, with the assistance of its advisors, and in consultation with the Company, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the successful bid. Once the necessary definitive agreement(s) with respect to a successful bid have been finalized, as determined by the Company in consultation with the Proposal Trustee, the Company shall apply to the Court, on notice to the service list, for an order or orders approving such successful bid and/or the mechanics to authorize the Company to complete the Transactions contemplated

thereby, as applicable, and authorizing the Company to: (a) enter into any and all necessary agreements and related documentation with respect to the successful bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the Transaction contemplated in such successful bid (each, an “**Approval Order**”).

10. If a successful bid is selected and an Approval Order authorizing the consummation of the Transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such successful bid will be non-refundable and shall, upon closing of the Transaction contemplated by such successful bid, be applied to the cash consideration to be paid in connection with such successful bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such successful bid. Any Deposit delivered with a Qualified Bid that is not selected as a successful bid will be returned to the applicable bidder, without interest, by the Proposal Trustee as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the successful bid is approved pursuant to an Approval Order or such earlier date as may be determined by the Proposal Trustee. In the event that a Deposit is forfeited for any reason it shall be forfeited as liquidated damages and not as a penalty.
11. Any amendments to this SISP may only be made by the Proposal Trustee, with the written consent of the Company, or by further order of the Court. The Proposal Trustee, with the written consent of the Company, may terminate the SISP entirely at any time prior to October 17, 2025 (or such later date upon application to the Court).
12. Unless otherwise set out herein, participants and prospective participants in this SISP shall not be permitted to receive any information that is not generally available to all participants relating to the details of any confidential discussions or correspondence between the Proposal Trustee and qualified bidders in connection with this SISP.
13. The Proposal Trustee may, with the consent of the applicable participants, disclose such information to other bidders for the purpose of seeking to combine separate bids.
14. At any time during this SISP, the Company or the Proposal Trustee may apply to the Court for advice and directions regarding the implementation and completion of this SISP.

SCHEDULE "A": E-MAIL ADDRESSES FOR DELIVERY OF BIDS

To Proposal Trustee and its legal counsel:

rahn.dodick@dodick.ca

and with a copy to the Company's legal counsel:

mcitak@grllp.com