

Court File No. CV-25-00740088-00CL

**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 CLEARPIER ACQUISITION CORP.
AND 1000238820 ONTARIO INC.**

Applicants

FIRST REPORT OF THE MONITOR RICHTER INC.

APRIL 9, 2025

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I. INTRODUCTION

1. On April 1, 2025 (the “**Filing Date**”), ClearPier Acquisition Corp. (“**CPAC**”) and 1000238820 Ontario (“**10002 Ontario**”, and together with CPAC, the “**Applicants**”) were granted protection under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The proceedings commenced by the Applicants under the CCAA are referred to herein as the “**CCAA Proceedings**”. The Initial Order appointed Richter Inc. (“**Richter**”) as monitor of the Applicants in the CCAA Proceedings (the “**Monitor**”).
2. The Applicants are holding companies which have no independent operations or leased properties and were established for the purpose of acquiring the Operating Subsidiaries, as defined below, which are advertising companies specializing in performance app marketing, including user acquisition and engagement.
3. CPAC is the parent of four subsidiaries (collectively, the “**Operating Subsidiaries**”):
 - (i) Cygobel Media Ltd. (“**Cygobel**”), a corporation incorporated under the laws of Israel, is a performance-based advertising agency that focuses on user acquisition through real-time optimization of advertising spend;
 - (ii) Pesto Harel Shemesh Ltd. (“**PubPlus**”), a corporation incorporated under the laws of Israel, earns revenue by purchasing traffic which is directed to its own websites that contain advertisements;
 - (iii) HangMyAds Lda. (“**HMA**”), a limited liability company formed under the laws of Portugal, specializes in mobile user acquisition using rewarded traffic to encourage user actions; and
 - (iv) KPM Technologies Ltd. (“**KPM**”, and collectively with Cygobel, PubPlus and HMA, the “**Operating Subsidiaries**”), is a corporation incorporated under the laws of Israel. Similar to Cygobel, KPM is a technology-focused advertising agency that

provides mobile app promotion through real-time ad spend optimization to help clients acquire users and generate revenue.

The Operating Subsidiaries, along with the Applicants, are hereinafter collectively referred to as the “**CPAC Group**”). The Operating Subsidiaries are not applicants in the CCAA Proceedings but are “Non-Applicant Stay Parties” and subject to various provisions of the Initial Order.

4. A more fulsome summary of the CPAC Group and its business and financial circumstances is set out in the Affidavit of Jignesh Shah sworn on March 31, 2025 (the “**First Shah Affidavit**”) and the Pre-Filing Report dated April 1, 2025 (the “**Pre-Filing Report**”) filed by Richter, in its capacity as proposed monitor, in connection with the CCAA Proceedings. A copy of the Pre-Filing Report is attached hereto as **Appendix “A”**.
5. Copies of the First Shah Affidavit, the Pre-Filing Report and other materials related to the CCAA Proceedings are available on the Monitor’s case websites at: <https://www.richter.ca/insolvencycase/clearpier-acquisition-corp/> and <https://www.richter.ca/insolvencycase/1000238820-ontario-inc/> (the “**Case Websites**”)
6. The Initial Order granted by the Court dated April 2, 2025, among other things:
 - (i) appointed Richter as Monitor in these CCAA Proceedings;
 - (ii) granted a stay of proceedings in favour of the Applicants, the Monitor, the Operating Subsidiaries, or affecting their Business or Property (each as defined in the Initial Order), except with the written consent of the Applicants and the Monitor, or with leave of this Court up to and including April 14, 2025 (the “**Initial Stay Period**”);
 - (iii) granted an Administration Charge (as defined in the Initial Order) over the Property in the maximum amount of \$500,000; and
 - (iv) requires the Applicants and the Operating Subsidiaries to comply with certain Financial Covenants, as defined and described in the Pre-Filing Report.

II. PURPOSE OF THIS REPORT

7. The purpose of this report (the “**First Report**”) is to provide the Court with information and, where applicable, the Monitor’s views on:
 - (i) the Applicants’ proposed Amended and Restated Initial Order (the “**ARIO**”) which, among other things:
 - (i) extends the Stay Period up to and including August 7, 2025;
 - (ii) increases the quantum of the Administration Charge to \$600,000; and
 - (iii) sets out the priority of the Administration Charge and the Sale Advisor’s Completion Fee Charge (defined below);
 - (ii) the proposed Sale and Investment Solicitation Process Order (the “**SISP Order**”) which, among other things:
 - (i) approves the engagement by the Applicants of KPMG Corporate Finance Inc. (the “**Sale Advisor**”) pursuant to the KPMG Engagement Letter (as defined below);
 - (ii) authorizes the Monitor, with the assistance of the Applicants and the Sale Advisor, as deemed necessary by the Monitor, to conduct a sale, investment and solicitation process (the “**SISP**”) in respect of the CPAC Group and two of its affiliates that are not Applicants or Non-Applicant Stay Parties in these CCAA Proceedings: ClearPier Performance Inc. (“**CPP**”) and Media Quest Group Limited (“**MQ**”) (collectively with CPP and the CPAC Group, the “**SISP Targets**”) in accordance with the SISP Procedures attached to the SISP Order as Schedule “A”;
 - (iii) requires the Applicants to cause the SISP Targets and their relevant employees to provide assistance reasonably requested by the Monitor in relation to the SISP; and

- (iv) grants a charge on the Property of the Applicants in the maximum amount of \$1,000,000 as security for the payment of the Completion Fee or the Minimum Fee (as defined below) (the “**Sale Advisor’s Completion Fee Charge**”), which charge shall be subordinate to the Administration Charge;
- (iii) the Updated Cash Flow Forecast (as defined below);
- (iv) the activities of the Monitor since its appointment; and
- (v) the Monitor’s conclusions and recommendations in connection with the foregoing.

III. TERMS OF REFERENCE

8. In preparing this First Report, the Monitor has relied solely on information and documents provided by the Applicants and their advisors, including unaudited financial information, books and records, and financial information prepared by the CPAC Group and has held discussions with the management of the CPAC Group and their legal counsel (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the First Report, the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Canada Handbook (the “**CPA Handbook**”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information. Some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.
9. Future orientated financial information contained in the Updated Cash Flow Forecast is based on the Applicants’ estimates and assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and

variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Updated Cash Flow Forecast will be achieved.

10. This First Report should be read in conjunction with the Pre-Filing Report and the First Shah Affidavit, filed in support of the Applicants' motion for the proposed ARIO and the proposed SISP Order. Capitalized terms used and not defined in this First Report have the meanings given to them in the Pre-Filing Report or the First Shah Affidavit, as applicable.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

IV. UPDATED CASH FLOW FORECAST

12. The Applicants, with the assistance of the Monitor, prepared an updated weekly cash flow forecast (the "**Updated Cash Flow Forecast**") for the period from March 31, 2025 to August 14, 2025 (the "**Cash Flow Period**"). A copy of the Updated Cash Flow Forecast, together with a summary of assumptions (the "**Cash Flow Assumptions**") and Management's report on the cash-flow statement required by section 10(2)(b) of the CCAA, are attached hereto as **Appendix "B"** and **Appendix "C"**, respectively. As summarized in the table below, the Updated Cash Flow Forecast shows net cash flows of

approximately negative \$1.5 million during the Cash Flow Period.

in US\$'s Cash Flow Forecast For the period from Mar 31, 2025 to Aug 14, 2025	CPAC 19 Periods Total	Operating Subsidiaries 19 Periods Total	Consolidated 19 Periods Total
Receipts			
Collection	-	14,959,400	14,959,400
Total Receipts	-	14,959,400	14,959,400
Disbursements			
Publishers / Media	-	10,927,430	10,927,430
Payroll related	-	2,317,250	2,317,250
VAT	-	139,000	139,000
Other operating expenses	-	268,000	268,000
Rent+office expenses	-	122,000	122,000
Other office expenses	-	150,000	150,000
Offshore teams & content	-	150,000	150,000
Professional services	-	15,000	15,000
Bank fees	-	18,000	18,000
Total Operating Costs	-	14,496,680	14,496,680
Restructuring Professional Fees	1,498,379	-	1,498,379
Total Disbursements	1,498,379	14,984,892	16,483,271
Net Cash Flow Before Transfer	(1,498,379)	(25,492)	(1,523,871)
Transfers between accounts	1,000,000	(1,000,000)	-
Net Cash Flow After Transfer	(498,379)	(1,025,492)	(1,523,871)
Unrestricted cash opening balance	458,695	3,600,278	4,058,973
Unrestricted cash closing balance	(39,684)	2,574,786	2,535,102
Restricted cash opening balance	-	115,949	115,949
Restricted cash closing balance	-	115,949	115,949
Unrestricted + restricted cash closing balance	(39,684)	2,690,735	2,651,051
Accounts Receivable - Ending	-	7,286,938	7,286,938
Cash + Accounts Receivable balance	(39,684)	9,977,673	9,937,989

13. The Monitor notes the following with respect to the Updated Cash Flow Forecast:
- (i) cash receipts of approximately US\$15 million during the Cash Flow Period are primarily related to collection of accounts receivable and sales generated during the Cash Flow Period;
 - (ii) cash disbursements in the Operating Subsidiaries are approximately US\$15 million and primarily relate to publisher/media costs, payroll and operating expenses;
 - (iii) cash disbursements in CPAC are approximately US\$1.5 million primarily on account of the restructuring professional fees and costs;
 - (iv) no debtor-in-possession financing is sought during the Cash Flow Period, as the funding for the CCAA Proceedings will be drawn from the CPAC Group's cash balance, with the Operating Subsidiaries extending intercompany loans to the

Applicants to support restructuring and other necessary expenses, as may be required;

- (v) at the end of the Cash Flow Period, the CPAC Group is forecast to have:
 - (i) an unrestricted cash balance of approximately US\$2.5 million;
 - (ii) a combined unrestricted and restricted cash balance of approximately US\$2.6 million; and
 - (iii) a combined cash plus trade accounts receivable balance of approximately US\$9.9 million.
14. The Monitor notes that (i) the CPAC Group's aggregate unrestricted and restricted cash balance is forecast to drop below the US\$2.8 million level that is required by the Cash Restrictions in the Initial Order (and in the proposed Amended and Restated Initial Order), beginning the week ending July 31, 2025, but (ii) the CPAC Group's aggregate cash plus trade accounts receivable is forecast to remain above the US\$8.9 million level that is required by the Cash Restrictions in the Initial Order (and in the proposed Amended and Restated Initial Order). The Monitor notes that, pursuant to the Initial Order (and the proposed Amended and Restated Initial Order), non-conformances with the Cash Restrictions must be agreed upon by the Monitor. The Monitor will continue to monitor the CPAC Group's financial circumstances during the Cash Flow Period, assess any potential non-conformance with the Cash Restrictions, if any, and consider, as applicable, any request for approval of a non-conformance with the Cash Restrictions in due course.
15. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:
- (i) the Cash Flow Assumptions are not consistent with the purpose of the Updated Cash Flow Forecast;
 - (ii) as at the date of this First Report, the Cash Flow Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a

reasonable basis for the Updated Cash Flow Forecast, given the Cash Flow Assumptions; or

(iii) the Updated Cash Flow Forecast does not reflect the Cash Flow Assumptions.

16. The Updated Cash Flow Forecast has been prepared solely for the purpose and subject to the assumptions described above, and readers are cautioned that it may not be appropriate for other purposes. The Updated Cash Flow Forecast is subject to material change based on sales activity, the Applicant's restructuring efforts, and circumstances arising from the commencement of the CCAA Proceedings.

V. SALE AND INVESTMENT SOLICITATION PROCESS ORDER

17. The SISP, if approved by the Court through the granting of the SISP Order, is to be conducted by the Monitor with the assistance of the Sale Advisor and the Applicants, as deemed necessary by the Monitor. The SISP procedures and timelines are summarized in detail in the Pre-Filing Report.
18. The SISP Targets include the CPAC Group and two of its affiliates that are not Applicants or Non-Applicant Stay Parties in these CCAA Proceedings: CPP and MQ. The Monitor supports the inclusion of CPP and MQ in the SISP as:
- (i) the Applicants believe that including CPP and MQ in the SISP will preserve enterprise value and maximize recovery for creditors as their businesses are closely aligned with those of the CPAC Group, in addition to the fact that certain entities in the CPAC Group rely on CPP's and MQ's respective sales teams;
 - (ii) the Monitor understands from the Applicants that the senior secured creditor of CPP and MQ – Royal Bank of Canada ("RBC") – supports or does not oppose the inclusion of CPP and MQ in the SISP;
 - (iii) the SISP provides consultation rights to RBC at various stages of the process related to Bids that include CPP and MQ; and

- (iv) RBC has been served with the materials related to the Applicants' motion for the SISP Order.
19. A copy of the SISP Procedures has been served on all parties on the Service List, as well as RBC, and will form part of the documentation to be provided to all interested parties at the beginning of the SISP. It will also, as with other relevant materials, be posted on the Case Websites.
 20. KPMG will be engaged pursuant to an engagement letter with CPAC, an execution copy of which is attached hereto as **Appendix "D"** (the "**KPMG Engagement Letter**").
 21. As noted in the Pre-Filing Report, for its services, KPMG will be entitled to:
 - (i) monthly work fees of \$75,000 (the "**KPMG Work Fee**"), payable by CPAC which will be credited or deducted from the KPMG Completion Fee in excess of the Minimum Fee;
 - (ii) a completion fee equal to 2.5% of the transaction value(s) from the SISP (the "**KPMG Completion Fee**"), with a minimum of \$1,000,000 (the "**KPMG Minimum Fee**").
 22. If no transaction occurs, no KPMG Completion Fee or KPMG Minimum Fee is owed.
 23. The KPMG Completion Fee, if earned, and KPMG Work Fee will be allocated among the SISP Targets based on the transaction values obtained for each target.
 24. The SISP Order provides that:
 - (i) payment of the KPMG Work Fee will be secured by the Administration Charge, on a *pari passu* basis with other beneficiaries; and
 - (ii) payment of the KPMG Completion Fee (or KPMG Minimum Fee, as applicable) will be secured by the Sale Advisor's Completion Fee Charge, which will rank subordinate to the Administration Charge as set out in the Proposed ARIO.

25. As discussed in the Pre-Filing Report, the Proposed Monitor believes that the KPMG compensation, including the KPMG Work Fee and KPMG Completion Fee, is reasonable and typical of compensation charged on similar mandates by firms of similar expertise. The Monitor supports the Applicants being authorized to enter into the KPMG Engagement Letter.
26. As discussed in the Pre-Filing Report, the Monitor supports the SISP and is of the view that:
- (i) the authorizations in the proposed ARIO and SISP Order provide appropriate flexibility to explore all value-enhancing options for the SISP Targets' assets and business;
 - (ii) the SISP provides sufficient restrictions around the ability of EDC or Related Bidders to participate in the SISP while maintaining the integrity of the process;
 - (iii) the SISP allows the Monitor with sufficient flexibility to make reasonable and appropriate adjustments to the SISP, if required and to seek further direction from the Court, if needed; and
 - (iv) the factors to be considered in declaring a Successful Transaction Bidder(s) are reasonable and appropriate in the circumstances.

VI. AMENDED AND RESTATED INITIAL ORDER

27. The following summarizes certain material changes from the Initial Order in the ARIO:

Administration Charge

28. The Initial Order granted a priority charge over the Applicants' Property (including the shares of the Operating Subsidiaries) to the maximum amount of \$500,000 in favour of the Monitor, counsel to the Monitor, counsel to the Applicants and EDC's counsel (the "**Administration Charge**"). The Applicants are seeking an increase in the amount of the Administration Charge in the ARIO from \$500,000 to \$600,000 to secure the payment of

the KPMG Work Fee in addition to the fees incurred or to be incurred by the other beneficiaries of the Administration Charge described above, on a *pari passu* basis.

29. The Monitor assisted the Applicants in the calculation of the Administration Charge and is of the view that the proposed amount of the charge is reasonable and appropriate considering the extensive scope of work required during the CCAA proceedings, the significant involvement of the beneficiaries of the Administration Charge, and the quantum of administration charges approved in similar CCAA proceedings.

Sale Advisor's Completion Fee Charge

30. The Applicants are also seeking to secure payment of the KPMG Completion Fee or KPMG Minimum Fee by way of the Sale Advisor's Completion Fee Charge over the Applicants' Property (including the shares of the Operating Subsidiaries) in the maximum amount of \$1,000,000 which will rank subordinate to the Administration Charge.
31. Considering the extensive and complex scope of work to be undertaken by the Sale Advisor, which includes SISP Targets located in Canada, Israel and Portugal, the fact that the KPMG Completion Fee will only be payable in the event of a successful transaction and is tied to the value of such a transaction (subject to the Minimum Fee), and the fact that it is supported by the sole secured creditor of the Applicant, EDC, the Monitor believes that the proposed Sale Advisor's Completion Fee Charge is reasonable and appropriate in the circumstances.

Priority of Charges in the ARIO

32. The proposed ARIO contemplates that the Charges (as defined below) will rank in priority to all other Encumbrances (as defined in the Initial Order) in favour of any person, provided that the Charges will have the following priority in relation to each other:
 - (i) First – Administration Charge (to the maximum of \$600,000); and

- (ii) Second – Sale Advisor’s Completion Fee Charge (to the maximum of \$1 million); (the above charges collectively referred to as the “**Charges**”) which will rank subordinate to the Administration Charge.
33. For the reasons set forth above, the Monitor believes that the Charges and their respective amounts are necessary and appropriate in the circumstances of these CCAA Proceedings.

Extension of the Stay Period

34. The Initial Order granted a stay of proceedings for the Initial Stay Period through April 14, 2025. The Applicants are now seeking an extension of the Stay Period (as defined in the ARIO) to and including August 7, 2025.
35. The SISP Procedures currently contemplate that the Applicants will seek Court approval of any Successful Transaction Bid(s) during the week of August 4, 2025 to August 8, 2025. The Applicants are proposing to extend the Stay Period to the same week to maximize efficiency and preserve the resources of the Applicants and the Court.
36. The Monitor supports the Applicants’ request to extend the Stay Period to and including August 7, 2025 for the following reasons:
- (i) the proposed extension will permit the Monitor, with the assistance of the Applicants and the Sale Advisor, as deemed necessary by the Monitor, to conduct the SISP in accordance with the SISP Procedures with a view to maximizing the value of the SISP Targets’ businesses;
 - (ii) an extension of the stay of proceedings will provide the Applicants with stability and an opportunity to pursue one or more value-enhancing Successful Transaction Bid(s), and to return to Court to seek approval of any such Successful Transaction Bid(s);
 - (iii) as reflected in the Updated Cash Flow Forecast, the Applicants are expected to have sufficient liquidity to fund their operations and the costs of the CCAA Proceedings

during the requested Stay Period, subject to addressing any potential non-conformance with the Cash Restrictions at the appropriate time;

- (iv) an extension of the stay of proceedings of the length requested by the Applicants is reasonable having regard to the current status of the CCAA Proceedings and will ensure that the Applicants are not required to expend time and resources to seek an interim extension of the stay of proceedings while they advance and complete the SISF; and
- (v) the Monitor is not aware of any party that would be materially prejudiced by the proposed extension of the Stay Period.

VII. ACTIVITIES OF THE MONITOR SINCE THE FILING DATE

37. Since the Filing Date, the primary activities of the Monitor have included the following:

- (i) communicating with various stakeholders of the Applicants;
- (ii) monitoring the Applicants' cash receipts and disbursements and working with the Applicants in preparing variance reports;
- (iii) assisting the Applicants in preparing the Updated Cash Flow Forecast;
- (iv) engaging in discussions with EDC and its counsel Norton Rose Fulbright Canada LLP with respect to the Updated Cash Flow Forecast, liquidity matters and the SISF;
- (v) establishing the Case Websites and coordinating the posting of court materials and other documents to the Case Websites;
- (vi) arranging for the completion of the notice requirements set out in the Initial Order, including, among other things:

- (i) arranging for publication of notice of the CCAA Proceedings, in the prescribed form, in *The Globe and Mail* (National Edition) on April 8, 2025 and April 15, 2025; and
- (ii) arranging for notice of the CCAA Proceedings, in the prescribed manner, to be emailed or mailed to each known creditor having a claim against the Applicants of more than \$1,000; and
- (vii) preparing this First Report.

VIII. CONCLUSION AND RECOMMENDATIONS

38. For the reasons set out in this First Report, the Monitor respectfully recommends that the Court grant the SISP Order and the ARIO.

All of which is respectfully submitted this 9th day of April, 2025.

Richter Inc.
In its capacity as Monitor of
ClearPier Acquisition Corp., and 1000238820 Ontario
and not in its personal or corporate capacity

Per:



Karen Kimel,
MAcc, CPA, CA, CPA (IL), CIRP, LIT
Senior Vice President

APPENDIX “A”

PRE-FILING REPORT OF THE MONITOR

Please see attached

Court File No. CV-25-00740088-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS*
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Applicants

PRE-FILING REPORT OF THE PROPOSED MONITOR RICHTER INC.

APRIL 1, 2025

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APPENDICES

APPENDIX “A” – Richter’s Consent to Act as Monitor

APPENDIX “B” – ClearPier Group of Companies Corporate Structure

APPENDIX “C” – Cash Flow Forecast

I. INTRODUCTION

1. Richter Inc. (“**Richter**” or the “**Proposed Monitor**”) understands that ClearPier Acquisition Corp. (“**CPAC**”) and 1000238820 Ontario (“**1002 Ontario**”, and together with CPAC, the “**Applicants**”), intend to make an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an order (the “**Initial Order**”) granting, among other things, a stay of proceedings pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), and appointing Richter as Monitor of the Applicants (the “**Monitor**”). A copy of Richter’s consent to act as Monitor is attached as **Appendix “A”**. The proceedings proposed to be commenced by the Applicants under the CCAA are referred to herein as the “**CCAA Proceedings**”.
2. CPAC was incorporated under the Ontario *Business Corporations Act*, R.S.O. 1990, c. B. 16 (“**OBCA**”) on April 28, 2022 and has its registered office at 20 Richmond Street East, 6th Floor, Toronto, Ontario. 1002 Ontario is the parent company of CPAC, holding 100% of its shares, and was incorporated on June 21, 2022, under the OBCA. 1002 Ontario also has its registered head office at 20 Richmond Street East, 6th Floor, Toronto, Ontario. The Applicants are holding companies established for the purpose of acquiring the Operating Subsidiaries, as defined below, which are advertising companies specializing in performance app marketing, including user acquisition and engagement. Jignesh Shah and Sunil Abraham, both residents of Toronto, Ontario, are the ultimate directing minds of CPAC and 1002 Ontario. CPAC and 1002 Ontario have no material operations of their own and do not lease any real property.
3. CPAC is the parent company of the following subsidiaries:
 - (i) Cygobel Media Ltd. (“**Cygobel**”), a corporation incorporated under the laws of Israel, is a performance-based advertising agency that focuses on user acquisition through real-time optimization of advertising spend;
 - (ii) Pesto Harel Shemesh Ltd. (“**PubPlus**”), a corporation incorporated under the laws of Israel, earns revenue by purchasing traffic which is directed to its own websites that contain advertisements;

- (iii) HangMyAds Lda. (“**HMA**”), a limited liability company formed under the laws of Portugal, specializes in mobile user acquisition using rewarded traffic to encourage user actions; and
- (iv) KPM Technologies Ltd. (“**KPM**”, and collectively with Cygobel, PubPlus and HMA, the “**Operating Subsidiaries**”), is a corporation incorporated under the laws of Israel. Similar to Cygobel, KPM is a technology-focused advertising agency that provides mobile app promotion through real-time ad spend optimization to help clients acquire users and generate revenue.

The Operating Subsidiaries, along with the Applicants, are hereinafter collectively referred to as the “**CPAC Group**”). A copy of the CPAC Group’s organizational chart is attached as **Appendix “B”**.

4. CPAC financed the acquisitions of the Operating Subsidiaries through a credit agreement dated September 8, 2022 between, among others, Export Development Canada (“**EDC**”), CPAC and a number of CPAC’s affiliates as guarantors (as amended, supplemented or modified from time to time, the “**Credit Agreement**”). The Credit Agreement is discussed in further detail below.
5. In the year following the acquisitions, certain of the Operating Subsidiaries experienced a decline in revenue due to numerous factors including rising media costs and a downturn in the cryptocurrency market resulted in the closure of several cryptocurrency applications and websites that had been key partners of the CPAC Group. These challenges were further compounded by rising interest rates, which increased the CPAC Group’s overall financial obligations.
6. A summary of unaudited yearly combined EBITDA of CPAC and the Operating Subsidiaries, to the extent this information has been reported, is summarized below:

In USD's	For the 12-months ended December 31, 2024					
	CPAC	Pub Plus	Cygobel	KPM	HMA	Combined
Revenues	-	32,874,322	3,890,802	1,051,950	13,643,615	51,460,689
COGS	-	30,880,896	902,939	483,743	8,744,041	41,011,619
Gross Profit	-	1,993,426	2,987,863	568,207	4,899,574	10,449,070
Gross Profit (%)						
Operating Expenses	1,938,529	5,342,520	1,599,666	290,047	1,533,637	10,704,400
EBITDA	(1,938,529)	(3,349,095)	1,388,197	278,159	3,365,937	(255,330)

Note: Excludes restructuring costs and foreign exchange gains/losses

The EBITDA figures referenced above do not reflect the significant accruing interest expenses that remain unpaid to the Applicants' secured creditor, EDC. Moreover, while certain Operating Subsidiaries have achieved positive EBITDA, these gains are more than outweighed by substantial losses incurred by CPAC and PubPlus. CPAC and its affiliates are continuing to incur material operating losses.

7. EDC is currently owed amounts in excess of approximately CDN\$30.5 million and US\$40 million by CPAC for funds advanced pursuant to the Credit Agreement. In view of defaults under the Credit Agreement (discussed in further detail below), EDC issued a reservation of rights letter to CPAC on November 15, 2023 (the "**Reservation of Rights Letter**"). This was followed by a formal demand for repayment of all outstanding amounts owed by CPAC and a Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act* (Canada) served on February 27, 2024 (the "**Section 244 Notice**"). The Applicants and EDC have entered into two forbearance agreements (which have since expired) and the Applicants have remained unable to satisfy their outstanding obligations under the Credit Agreement.
8. On March 6, 2025, EDC filed an application seeking the appointment of Richter as receiver over all assets, undertakings, and property of the Applicants, including the shares held by CPAC in the Operating Subsidiaries (the "**Receivership Application**"). Following discussions and negotiations between the Applicants and EDC, EDC and the Applicants have agreed to pursue a court-supervised sales and investment solicitation process (the "**SISP**") in the CCAA Proceedings which would include the CPAC Group along with two additional subsidiaries of ClearPier Inc.: ClearPier Performance Inc.

(“**CPP**”) and Media Quest Group Limited (“**MQ**”, and collectively with CPP and the CPAC Group the “**SISP Targets**”). While CPP and MQ are not Applicants to the contemplated CCAA Proceedings, their businesses are closely aligned with those of the CPAC Group and as such would be included in the SISP to preserve enterprise value and maximize recovery for creditors. The Applicants intend to seek approval to commence the SISP at a comeback hearing which has been scheduled for April 10, 2025 (the “**Comeback Hearing**”).

9. The purpose of this pre-filing report (the “**Report**”) is to provide the Court with information, and where applicable, the Proposed Monitor’s views on:
 - (i) Richter’s qualifications to act as Monitor (if appointed);
 - (ii) background information with respect to the Applicants and Operating Subsidiaries;
 - (iii) the Applicants’ secured and unsecured creditors;
 - (iv) the Applicants’ cash management system;
 - (v) an overview of the Applicants’ cash flow forecast (the “**Cash Flow Forecast**”) for the period from March 22, 2025 to April 7, 2025 (the “**Forecast Period**”) as well as key assumptions on which the Cash Flow Forecast is based;
 - (vi) the Court-ordered charge over the assets, undertakings and properties of the Applicants (the “**Property**”) sought by the Applicants in the Initial Order;
 - (vii) the Applicants’ proposed SISP;
 - (viii) the Proposed Monitor’s conclusions and recommendations in connection with the foregoing.

II. TERMS OF REFERENCE

10. In preparing this Report, the Proposed Monitor has relied solely on information and documents provided by the Applicants and their advisors, including unaudited financial information, books and records, and financial information prepared by the CPAC Group and has held discussions with the management of the CPAC Group and their legal counsel (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the Report, Richter has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Canada Handbook (the “**CPA Handbook**”) and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.
11. Future orientated financial information contained in the Cash Flow Forecast is based on the Applicants’ estimates and assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Forecast will be achieved.
12. This Report should be read in conjunction with the Affidavit of Jignesh Shah sworn March 31, 2025 (the “**First Shah Affidavit**”), in support of Applicants’ application for relief under the CCAA, for additional background and other information regarding the Applicants. Capitalized terms used and not defined in this Report have the meanings given to them in the First Shah Affidavit.
13. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

III. RICHTER'S QUALIFICATIONS TO ACT AS MONITOR

14. Richter was initially engaged by EDC on December 13, 2023 to review, analyze and report to EDC on, among other things:
 - (i) the weekly cash flow forecasts of the CPAC Group including the underlying assumptions and working capital collateral position;
 - (ii) the monthly financial model including the underlying assumptions, sensitivities and scenarios;
 - (iii) communications as between the CPAC Group and EDC; and
 - (iv) other matters and financial analysis.
15. In addition to the above, Richter has assisted the Applicants in the preparation of its Cash Flow Forecast in connection with these CCAA Proceedings. Richter has also assisted the Applicants in the development of the SISP and the overall approach to these CCAA Proceedings.
16. Accordingly, Richter is familiar with the Applicants' business and financial affairs and is in a position to immediately assist the Applicants in its CCAA Proceedings.
17. Richter is a licensed insolvency trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada). Richter is not subject to any of the restrictions to act as monitor as set out in section 11.7(2) of the CCAA and, in particular, neither Richter nor any of its representatives has been at any time in the two preceding years:
 - (i) a director, an officer or an employee of the Applicants;
 - (ii) related to the Applicants or to any director or officer of the Applicants; or
 - (iii) the auditor, accountant or legal counsel, or a partner or employee of the auditor, accountant or legal counsel of the Applicants.

18. The senior Richter professional personnel with carriage of this matter include experienced insolvency and restructuring practitioners who are Chartered Professional Accountants (Chartered Accountants), Chartered Insolvency and Restructuring Professionals, and Licensed Insolvency Trustees. These Richter professionals have previously acted in restructuring proceedings of a similar nature and complexity in Canada.
19. Richter has consented to act as Monitor on the terms set forth in the proposed Initial Order, should it be granted by the Court. The Proposed Monitor has retained McCarthy Tétrault LLP (“**McCarthy**”) to act as its legal counsel in the proposed CCAA Proceedings.

IV. BACKGROUND

20. This Report summarizes certain background information in relation to the Applicants and the Operating Subsidiaries as it relates to the Applicants’ application for the Initial Order. Readers of this Report are advised to review in full the First Shah Affidavit, which provides a comprehensive overview of the businesses, operations and financial circumstances of the Applicants and the purpose of the CCAA Proceedings.
21. The First Shah Affidavit describes the CPAC Group’s financial position as at December 31, 2024. Based on the most recent internal unaudited balance sheet of the CPAC Group, as at December 31, 2024, the total liabilities of the CPAC Group at book value exceeded the total assets of the CPAC Group by approximately US\$23.3 million. Further, as discussed above, the unaudited yearly combined EBIDTA of the Applicants is approximately negative US\$0.3 million excluding the substantial interest amounts owing to EDC that have accrued and continue to accrue.
22. As described in the First Shah Affidavit, the Applicants do not have any employees of their own. The Operating Subsidiaries employ approximately 61 employees in Israel and Portugal, some of whom provide certain shared services such as accounting to the

Applicants. A summary of employees based on geography of employment is contained in the First Shah Affidavit.

V. SECURED DEBT OBLIGATIONS

23. As described in the First Shah Affidavit, EDC advanced approximately CDN\$30.5 million and US\$34.9 million to CPAC by way of three term credit facilities made available pursuant to the Credit Agreement, the purpose of which was to fund CPAC's acquisition of the businesses and operations of HMA in Portugal and Cygobel, PubPlus and KPM in Israel:
 - (i) Facility A, in the amount of CDN\$30,545,000 to refinance amounts previously borrowed from EDC to fund its acquisition of PubPlus;
 - (ii) Facility B, in the amount of US\$20,100,000, to finance its acquisition of KPM and Cygobel; and
 - (iii) Facility C, in the amount of US\$14,8000,000, to finance its acquisition of HMA.
24. The funding provided by EDC pursuant to the Credit Agreement is secured against the assets of CPAC, 1002 Ontario, PubPlus, Cygobel and KPM and the shares of HMA. EDC also holds unsecured guarantees from other affiliates of CPAC including ClearPier Inc., CPP, Solavid Inc., Advinteo Inc., Vexigo Inc., and MQ (the "**Additional Guarantors**") as described in detail in the First Shah Affidavit (collectively, the "**EDC Security**"). Richter understands that EDC is subject to an intercreditor agreement with Royal Bank of Canada ("**RBC**") regarding EDC's claim against the Additional Guarantors.
25. The Proposed Monitor has not yet had an opportunity to review the EDC Security. If the Initial Order is granted by the Court, Richter intends to instruct its counsel, McCarthy, to review and confirm the effectiveness of the EDC Security. If appointed, the Monitor (in such capacity) intends to report to the Court on the results of the security review, after it has been completed. However, based on the Personal Property Security Registry

searches conducted against the Applicants' names that are attached to the First Shah Affidavit, Richter understands that EDC is the only party holding registrations against the Applicants in Ontario.

26. On November 15, 2023, EDC notified CPAC of several defaults under the Credit Agreement by way of the Reservation of Rights Letter that included:
 - (i) Failure to make repayments required under the Credit Agreement, including scheduled interest and loan principal payments totalling several million dollars from March 10, 2023 onward;
 - (ii) CPAC's failure to timely deliver audited financial statements for the year ended December 31, 2022;
 - (iii) CPAC's failure to supply compliance certificates with each set of quarterly financial statements for the quarters ended March 31, 2023, June 30, 2023 and September 30, 2023;
 - (iv) Material omissions in financial statements and required budgets provided; and
 - (v) CPAC's failure to meet corporate governance and equity funding requirements pursuant to the Credit Agreement by the prescribed deadline.
27. EDC also became aware of other defaults under the Credit Agreement which included:
 - (i) acquisition of MQ by an affiliate of CPAC, without obtaining any amendment to permit this acquisition as required under the Credit Agreement;
 - (ii) failures from November 15, 2023 onwards to make required payments under the Credit Agreement;
 - (iii) failures to deliver quarterly financial statements and compliance certificates from December 31, 2023 onwards; and

- (iv) breaches of permitted debt restrictions through the incurrence of financial indebtedness with HSBC.
28. On February 27, 2024, as a result of the various defaults noted above, EDC, through its counsel, delivered a letter demanding repayment of the facilities and the Section 244 Notice.
 29. EDC provided the Applicants with multiple forbearances and accommodations. As noted in the First Shah Affidavit, on April 8, 2024, EDC, CPAC and the Additional Guarantors executed a First Standstill Agreement that permitted CPAC to pursue and procure term sheets for an equity investment through its advisor, Anand Rathi, in the minimum amount of US\$60 million which would be used to repay amounts owed to EDC. The First Standstill Agreement was terminated after an investment did not materialize.
 30. On August 21, 2024, a Second Standstill Agreement was executed to enable the Applicants to continue pursuing the equity investment and to initiate a SISP for the CPAC Groups' business with an advisor acceptable to EDC and the Applicants. The Second Standstill Agreement ended on its termination date due to lack of material progress on either of the objectives. In this process, EDC also obtained personal guarantees in exchange for the forbearance in an aggregate combined amount of \$1 million from Mr. Shah and Mr. Abraham.
 31. As noted in the First Shah Affidavit, from December 2024 to February 2025, EDC and the Applicants continued to discuss the possibility of a third forbearance agreement and the appointment of a sale advisor for a SISP for the CPAC Group's businesses along with a sale of CPP and MQ. However, no third standstill agreement was executed which ultimately led to EDC filing the Receivership Application.
 32. Richter understands that EDC is currently owed amounts in excess of approximately CDN\$30.5 million and US\$40 million by CPAC.

VI. UNSECURED CREDITORS

33. As noted previously in the Report, the Applicants do not directly employ any employees. The Operating Subsidiaries employ a combined total of approximately 61 employees in Israel and Portugal, with a monthly payroll commitment of approximately US\$450,000. Additionally, the associated accrued and unpaid vacation pay for these employees amounts to approximately \$148,000. Richter understands that the CPAC Operating Subsidiaries are up to date on their employee-related obligations.
34. As described in the First Shah Affidavit, based on their internal unaudited financial statements, as at December 31, 2025, the Applicants had unsecured obligations totalling approximately US\$1.1 million. The Applicants may be subject to additional unsecured obligations that are in the process of being determined and/or quantified.

VII. CASH MANAGEMENT SYSTEM

35. As described in the First Shah Affidavit, each of the Operating Subsidiaries operate their own cash management system whereby they collect funds and pay expenses associated with their respective operations. The Operating Subsidiaries advance funds to CPAC by way of intercompany loans, from time to time, on an as-needed basis, to allow CPAC to meet its expenses, including payment of interest to EDC.

VIII. FOREIGN RECOGNITION

36. The proposed Initial Order would extend the stay of proceedings to the Operating Subsidiaries as substantially all of the business of the CPAC Group is conducted through the Operating Subsidiaries. The Proposed Monitor supports the extension of the stay of proceedings to the Operating Subsidiaries to ensure the stability of their respective businesses while the SISP is carried out. The Proposed Monitor believes that no stakeholder would be prejudiced by the extension of the stay of proceedings to the Operating Subsidiaries as the Proposed Monitor expects that the Operating Subsidiaries will continue to meet their respective obligations in the ordinary course during the SISP, which will be limited in duration.

37. The Proposed Monitor understands that the Applicants currently do not intend to seek recognition of the CCAA Proceedings in Israel or Portugal, where the Operating Subsidiaries are based and carry on business. The expectation is that the Applicants will cause the Operating Subsidiaries to operate in accordance with the terms of the Initial Order and provide all assistance requested by the Proposed Monitor in carrying out the SISP. The Applicants or Proposed Monitor may seek further relief from the Court or the courts of Israel and/or Portugal if it becomes necessary to ensure compliance with the Initial Order and the effective conduct of the SISP.

IX. OVERVIEW OF THE CASH FLOW FORECAST AND FINANCIAL COVENANTS

Cash Flow Forecast

38. The management of the Applicants, with the assistance of the Proposed Monitor, has prepared the Cash Flow Forecast for the Forecast Period of March 22, 2025 to April 7, 2025 together with a summary of assumptions (the “**Cash Flow Assumptions**”) and the CPAC Group’s management’s report on the cash-flow statement required by section 10(2)(b) of the CCAA, which are attached hereto as **Appendix “C”**.
39. The Monitor notes that the Applicants ‘weekly’ cash flow forecast does not adhere to standard seven-day weekly periods the Court will be familiar with in these types of proceedings. The CPAC Group divides each month, commencing on the first of the month, into seven-day periods for the first three periods (i.e. 21 days) with the remaining days of the month consolidated into the final period for that month (i.e. 10 days in March, 9 days in April).

40. The Cash Flow Forecast is summarized in the following table:

in US\$'s Cash Flow Forecast For the week ended	CPAC			Operating Subsidiaries			Consolidated		
	Period 1 31-Mar-25	Period 2 07-Apr-25	2 Week Total	Period 1 31-Mar-25	Period 2 07-Apr-25	2 Week Total	Period 1 31-Mar-25	Period 2 07-Apr-25	2 Week Total
Receipts									
Collection	-	-	-	1,190,826	769,459	1,960,285	1,190,826	769,459	1,960,285
Total Receipts	-	-	-	1,190,826	769,459	1,960,285	1,190,826	769,459	1,960,285
Disbursements									
Publishers / Media	-	-	-	1,059,165	329,760	1,388,925	1,059,165	329,760	1,388,925
Payroll related	-	-	-	70,000	210,000	280,000	70,000	210,000	280,000
VAT	-	-	-	15,000	-	15,000	15,000	-	15,000
Other operating expenses	-	-	-	12,000	12,000	24,000	12,000	12,000	24,000
Rent+office expenses	-	-	-	58,000	-	58,000	58,000	-	58,000
Other office expenses	-	-	-	-	30,000	30,000	-	30,000	30,000
Offshore teams & content	-	-	-	-	30,000	30,000	-	30,000	30,000
Professional services	-	-	-	-	3,000	3,000	-	3,000	3,000
Bank fees	-	-	-	-	2,000	2,000	-	2,000	2,000
Total Operating Costs	-	-	-	1,214,165	616,760	1,830,925	1,214,165	616,760	1,830,925
Restructuring Professional Fees	100,000	196,916	296,916	-	-	-	100,000	196,916	296,916
Total Disbursements	100,000	196,916	296,916	1,214,165	616,760	1,830,925	1,314,165	813,676	2,127,841
Net Cash Flow Before Transfer	(100,000)	(196,916)	(296,916)	(23,339)	152,699	129,359	(123,339)	(44,217)	(167,557)
Transfers between accounts	-	-	-	-	-	-	-	-	-
Net Cash Flow After Transfer	(100,000)	(196,916)	(296,916)	(23,339)	152,699	129,359	(123,339)	(44,217)	(167,557)
Unrestricted cash opening balance	458,695	358,695	458,695	3,600,278	3,576,939	3,600,278	4,058,973	3,935,633	4,058,973
Unrestricted cash closing balance	358,695	161,779	161,779	3,576,939	3,729,637	3,729,637	3,935,633	3,891,416	3,891,416
Restricted cash opening balance	-	-	-	115,949	115,949	115,949	115,949	115,949	115,949
Transfers between restricted and unrestricted cash	-	-	-	-	-	-	-	-	-
Restricted cash closing balance	-	-	-	115,949	115,949	115,949	115,949	115,949	115,949
Unrestricted + restricted cash closing balance	358,695	161,779	161,779	3,692,888	3,845,586	3,845,586	4,051,582	4,007,365	4,007,365

41. The Cash Flow Forecast projects that the CPAC Group will have sufficient liquidity to continue operating during the Forecast Period. The Cash Flow Forecast projects that the CPAC Group will experience a net cash inflow of approximately US\$0.2 million over the Forecast Period. The Proposed Monitor notes the following with respect to the Cash Flow Forecast:

- (i) cash receipts of approximately US\$2.0 million are primarily related to the collection of accounts receivables;
- (ii) cash disbursements of approximately US\$2.1 million are primarily comprised of payments related to publisher/media costs, payroll at the Operating Subsidiaries, other operating expenses and restructuring professional fees; and
- (iii) the CPAC Group is forecast to have an unrestricted cash balance of approximately US\$3.9 million at the end of the Forecast Period.

42. The Applicants are not seeking approval of debtor-in-possession financing at this time. At the outset, the CCAA Proceedings will be funded from the cash balance of the CPAC Group, with the Operating Subsidiaries making intercompany advances to the Applicants to fund restructuring and others costs as required, consistent with past practice.
43. The Cash Flow Forecast has been prepared by the Applicants on a conservative basis using probable and hypothetical assumptions set out in the notes to the Cash Flow Forecast. The Cash Flow Forecast reflects the Applicants' estimates of receipts and disbursements for the Forecast Period.
44. The Proposed Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. Section 23(1)(b) requires a monitor to review the cash flow statement as to its reasonableness and to file a report with the Court on the monitor's findings. Pursuant to this standard, the Proposed Monitor's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to information supplied to it by certain key members of management. The Proposed Monitor reviewed information provided by management for the Cash Flow Assumptions. Since the Cash Flow Assumptions need not be supported, the Proposed Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast.
45. Based on the Proposed Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:
 - (i) the probable and hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - (ii) as at the date of this Report, the probable and hypothetical assumptions developed by the Applicants are not suitably supported and consistent with the restructuring plan of the Applicants or do not provide a reasonable basis for the Cash Flow Forecast; or

- (iii) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

46. The Proposed Monitor notes that 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. The Cash Flow Forecast is subject to material change based on sales activity, the Applicants' restructuring efforts, and circumstances arising from the commencement of the CCAA Proceedings.

Financial Covenants

47. The proposed Initial Order includes a number of financial thresholds which will facilitate the Monitor's supervision of the CPAC Group's cash and financial assets:
- (i) the Applicants are required to comply, and cause each of the Operating Subsidiaries to comply, with the Cash Flow Forecast appended to the Report, subject to any negative variance for each entity up to 10% on an aggregate and cumulative basis (the "**Variance Threshold**");
 - (ii) The Applicants are required to consult with, and obtain the prior written approval of, the Monitor and EDC in connection with any negative variance to the Cash Flow Forecast in excess of the Variance Threshold;
 - (iii) The Applicants are required to provide a written report to the Monitor on the final business day of each weekly or month-end period, listing all disbursements for the immediately following week or month-end period and certifying compliance with the Variance Threshold;¹ and
 - (iv) The Applicants and the Operating Subsidiaries are required to (i) maintain an aggregate minimum balance of cash of US\$2.8 million, including restricted and unrestricted cash; (ii) maintain an aggregate minimum balance of cash plus trade

¹ As noted below, the CPAC Group divides each month into four periods, the first three periods being 7 days in length and the fourth month-end period comprising the days remaining in the month (i.e. 10 days in March, 9 days in April, etc.)

accounts receivable of US\$8.9 million, including restricted and unrestricted cash; and (iii) each not reduce their aggregate trade accounts payable in any month (collectively, the “**Cash Restrictions**”), in each case unless otherwise agreed upon with the Monitor,

(collectively, the “**Financial Covenants**”).

48. The proposed Initial Order directs and empowers the Monitor to monitor the Applicants’ and Operating Subsidiaries’ compliance with the Cash Flow Forecast, Variance Threshold and Cash Restrictions.
49. The Financial Covenants were developed in consultation with the Monitor and EDC based on the Cash Flow Forecast and other information provided by the CPAC Group. The Monitor understands that the inclusion of the Financial Covenants in the Initial Order, among other provisions, and the Monitor being the party that will direct the SISP with the assistance of the Applicants to the extent the Monitor deems necessary, were each conditions of EDC agreeing to support the CCAA Proceedings and not pursue its Receivership Application at this time.

X. COURT-ORDERED CHARGES SOUGHT IN THE INITIAL ORDER

50. The proposed Initial Order seeks the granting of an administration charge (the “**Administration Charge**”) (to the maximum amount of \$500,000) over the Property of the Applicants for the initial 10-day stay period. As the Applicants do not have any employees and no tax remittance obligations of their own, they are not seeking a charge related to director liability.

Administration Charge

51. The proposed Initial Order provides for a priority charge up to a maximum of \$500,000 for the initial 10-day stay period as the Administration Charge in favour of the Proposed Monitor, counsel to the Proposed Monitor (McCarthys), the Applicants’ counsel (Stikeman Elliott LLP) and EDC’s counsel (Norton Rose Fulbright LLP) over all the

Property of the Applicants (including their shares in the Operating Subsidiaries), as security for their respective professional fees and disbursements incurred in relation to the CCAA Proceedings.

52. The Applicants intend to seek to increase the Administration Charge at the Comeback Hearing, with such amount to be determined and communicated in advance of the Comeback Hearing.
53. The amount of the Administration Charge sought by the Applicants was determined in consultation with the Proposed Monitor.
54. Given the complexities of the Applicants' proceedings, the services to be provided by the professionals involved in these proceedings and the size of administration charges approved in similar CCAA proceedings, the Proposed Monitor is of the view that the proposed Administration Charge is reasonable in the circumstances.

XI. COMEBACK HEARING

55. Should the Court grant the proposed Initial Order, the Proposed Monitor understands that the Applicants intend to return to the Court prior to the expiry of the Initial Stay Period on April 10, 2025 for the Comeback Hearing seeking:
 - (i) an extension of the stay of proceedings established by the proposed Initial Order;
 - (ii) approval of the SISP, SISP Order and related matters; and
 - (iii) certain other relief as may be required to advance the Applicants' restructuring.
56. If the proposed Initial Order is granted, Richter (in its then capacity as Monitor) will report to the Court in connection with the Comeback Hearing, as well as any other relief sought by the Applicants.

XII. PROPOSED SALE AND INVESTMENT SOLICITATION PROCESS

57. In order to maximize the value of its assets for all stakeholders and in view of maintaining its business and operations, the Applicants intend to pursue a broad SISP under the supervision of the Court as part of these CCAA Proceedings. While approval of the SISP will not be sought until the Comeback Hearing, given its importance to these CCAA Proceedings, the Proposed Monitor has provided a detailed overview of the SISP and its views on the SISP below.
58. The purpose of the SISP is to solicit interest in, and opportunities for, (i) a sale of the SISP Targets' property and assets, and/or (ii) an investment, restructuring, recapitalization, refinancing, or other form of reorganization transaction in respect of the SISP Targets.
59. The SISP, if approved by the Court, is to be conducted by the Monitor with the assistance of KPMG Inc. ("**KPMG**" or the "**Sale Advisor**") in its capacity as the sales advisor in connection with the SISP and the Applicants, in consultation with EDC, in its capacity as the secured lender of the Applicants, under the supervision of the Monitor and the Court, in accordance with the terms and conditions of the Sale and Investment Solicitation Process (the "**SISP Procedures**").

SISP Procedures

60. Capitalized terms not otherwise defined in this section are as defined in the SISP Procedures.
61. Should the SISP Order be granted by the Court at the Comeback Hearing, the SISP will be carried out by the Monitor with the assistance of KPMG and the Applicants, in consultation with EDC, in accordance with the terms of the SISP.
62. As set out in the SISP Procedures, the SISP Targets' business, property, assets, and undertakings are to be marketed pursuant to the SISP.

63. The SISP contemplates a two-phase bidding process, which will take place over a total period of 3.5 months, starting as soon as April 30, 2025, as detailed below and subject to any extensions and modifications that may occur in accordance with the SISP Procedures.

Timeline

64. The timeline of the SISP is as follows and is the result of negotiations and consultation between the Applicants, the Proposed Monitor, KPMG and EDC, with a view of implementing an efficient process, while providing a realistic timeline capable of generating broad interest:

EVENT	KEY DATE
PHASE 1	
<u>Teaser Letter</u> Distribution of Teaser letter to potentially interested parties	Starting on April 30, 2025
<u>CIM and VDR</u> Preparation of non-disclosure agreement, confidential information memorandum and virtual data room	By no later than May 7, 2025
<u>Phase 1 Qualified Bidders & Bid Deadline</u> Phase 1 Bid Deadline (for delivery of non-binding LOIs)	By no later than June 4, 2025, at 5:00 p.m. (prevailing Eastern Time)
<u>Phase 1 Satisfactory Bid</u> Notification to each Phase 1 Qualified Bidder in writing as to whether its bid constituted a Phase 1 Satisfactory Bid.	By no later than June 11, 2025, at 5:00 p.m. (prevailing Eastern Time)
PHASE 2	
<u>Phase 2 Bid Deadline & Qualified Bidders</u>	By no later than July 9, 2025, at 5:00 p.m. (prevailing Eastern Time)

EVENT	KEY DATE
Phase 2 Bid Deadline (for delivery of definitive offers)	
<u>Auction(s)</u> Auction(s) (if needed)	Week of July 14, 2025 to July 16, 2025
<u>Selection of final Successful Bid(s)</u> Deadline for selection of final Successful Bid(s)	By no later than July 23, 2025, at 5:00 p.m. (prevailing Eastern Time)
<u>Definitive Documentation</u> Completion of definitive documentation in respect of Successful Bid(s)	Week of July 28, 2025 to August 1, 2025
<u>Approval Application – Successful Bid(s)</u> Filing of Approval Application in respect of Successful Bid(s)	Week of August 4, 2025 to August 8, 2025
<u>Closing – Successful Bid(s)</u> Anticipated deadline for closing of Successful Bid(s)	Week of August 11, 2025 to August 15, 2025 or such earlier date as is achievable
<u>Outside Date – Closing</u> Outside Date by which the Successful Bid(s) must close	August 22, 2025

Phase I

65. The Monitor, with the assistance of Applicants and the Sale Advisor, (i) will identify a list of Potential Bidders; and (ii) is currently in the process of finalizing the various documents required to implement and conduct the SISP.
66. The SISP contemplates a process whereby, starting on April 30, 2025, Potential Bidders will be contacted and provided with the Teaser Letter and the NDA. Potential Bidders who enter into an NDA will be provided access to a confidential virtual data room

containing due diligence materials and information relating to the SISP Targets, their property and business.

67. Subject to compliance with the SISP, EDC shall have the right, but not the obligation, to submit or otherwise participate in a Bid (including a credit-bid) in the SISP, including by providing any funding commitment to any bidder (a “**EDC Sponsored Bid**”). Should an EDC Sponsored Bid is submitted, EDC shall continue to have the consultation and consent rights set out herein, unless one or more competing Bid(s) is submitted for an amount in excess of either the EDC Sponsored Bid, if any, or the obligations owing by the Applicants to EDC.
68. The SISP Targets’ shareholders, directors, officers, or any person related thereto (each a “**Related Bidder**”), may also participate as a Potential Bidder in the SISP, provided that if a Related Bidder elects to do so, it must provide the Monitor with notice of its intention to participate in the SISP in writing by no later than 10 days after the granting of the SISP Order. Upon receipt of such notice, the Monitor and the Sale Advisor will be authorized to take any action they deem necessary or appropriate to complete the SISP and maintain its integrity.
69. Potential Bidders who wish to submit a non-binding letter of interest (“**LOI**”) will have up to June 4, 2025 at 5 p.m. (prevailing Eastern Time), to submit an LOI.
70. To qualify as a Phase 1 Qualified Bidder, the LOI to be submitted must comply with the conditions set forth in the SISP Procedures, notably at paragraph 17. Such conditions may be waived by the Monitor.
71. Following the Phase 1 Bid Deadline, the Monitor, in consultation with the Sale Advisor and EDC, shall determine and notify Phase 1 Qualified Bidder(s) by June 11, 2025 at 5 p.m. (prevailing Eastern Time), that will be permitted to move on to the subsequent phase.

72. Only Phase 2 Bidders that have submitted a Phase 1 Qualified Bid shall be permitted to proceed to Phase 2 of the SISP. The “**Phase 2 Bidder**” criteria are set out in paragraph 23 of the SISP Procedures.
73. In the event that there are no Phase 2 Bidders after the Phase 1 Bid Deadline, the SISP may be extended or terminated by the Monitor, in consultation with EDC.

Phase 2

74. Phase 2 of the SISP will begin immediately following the selection of Phase 2 Bidders and at the latest on June 14, 2025. Phase 2 Bidders will have until July 9, 2025 at 5 p.m. (prevailing Eastern time) to submit a binding offer.
75. As set out in the SISP Procedures, in order for a Phase 2 Bid to qualify as a Phase 2 Qualified Bid, it must meet the qualifications set out paragraph 27 of the SISP which include, among other things, the following conditions:
 - (i) a letter confirming that the Phase 2 Bid is irrevocable until the selection of the Successful Transaction Bidder(s) (and Back-Up Transaction Bidder(s), if any) or if selected as a Successful Transaction Bidder or Back-Up Transaction Bidder, until the closing of a transaction contemplated thereunder subject to further extensions as may be agreed, with the consent of the Monitor, in consultation with the Sale Advisor and EDC;
 - (ii) written evidence of a firm commitment for financing or other evidence that a Phase 2 Bidder has the financial ability to consummate the Phase 2 Bid; and
 - (iii) except in case of a credit bid, payment to the Monitor of a non-refundable cash deposit of no less than either 10% of the total purchase price or investment contemplated under the Phase 2 Bid.
76. The Monitor, in consultation with the Sale Advisor and EDC will review and evaluate any such Phase 2 Bids submitted by the Phase 2 Bid Deadline and will determine whether such Bids constitute Phase 2 Qualified Bids, in accordance with the criteria set

out in the SISP Procedures. The Monitor may also select one or more Successful Transaction Bids and/or conduct an Auction under the terms of the SISP Procedures.

77. Following the selection of the Successful Transaction Bidder(s) (and, if applicable, any Back-Up Transaction Bidder(s)), one or more Approval Motion(s) shall be heard by the Court no later than August 8, 2025, with a view to closing such transaction(s) on or before August 15, 2025.
78. The SISP provides consultation rights to RBC at various stages of the process related to Bids that include the debtors and assets that are subject to its security: CPP and MO.
79. As regards the KPMG Engagement Letter, it outlines the following:
 - (i) As sale advisor, KPMG will provide financial advisory services to facilitate one or more transactions involving the SISP Targets; and
 - (ii) For its services, KPMG is entitled to: (a) monthly work fees of \$75,000 (the “**KPMG Work Fee**”), payable by CPAC which will be credited or deducted from the KPMG Completion Fee in excess of the Minimum Fee. The Applicants will be seeking to secure the KPMG Work Fee by an increased Administration Charge, on a *pari passu* basis with other beneficiaries; and (b) a completion fee equal to 2.5% of the transaction value(s) from the SISP (the “**KPMG Completion Fee**”), with a minimum of \$1,000,000 (the “**KPMG Minimum Fee**”). If no transaction occurs, no KPMG Completion Fee or KPMG Minimum Fee is owed.
80. The KPMG Completion Fee, if earned, and KPMG Work Fee will be allocated among the SISP Targets based on the transaction values related to each target.
81. The Applicants will be seeking to secure (i) the KPMG Work Fee by an increased Administration Charge at the Comeback Hearing, on a *pari passu* basis with other beneficiaries, and (ii) the KPMG Completion Fee (or KPMG Minimum Fee, as

applicable) by a priority charge (the “**Sale Advisor’s Charge**”) at the Comeback Hearing which will be subordinate to the Administration Charge.

Wind-Down of SISP Targets

82. If no offers are received for a particular SISP Target, the Monitor, in consultation with EDC and RBC (as it relates to CPP or MQ), may elect to terminate the SISP as it relates to such SISP Target, in which case the Applicants will proceed with an orderly wind-down of such SISP Target (other than CPP and MQ) if consented to by the Monitor and EDC, or otherwise EDC may realize its security interests as against such SISP Targets.

Proposed Monitor’s Views on the SISP

83. In the circumstances, the Proposed Monitor’s view on the SISP is that the SISP is well-structured and will provide for an appropriate canvassing of sale, restructuring and recapitalization options for the benefit of the Applicants and their stakeholders generally.
84. In the circumstances, the two-phase approach to the SISP further provides Potential Bidders with additional time to finalize their diligence and provides the Monitor, with the assistance of the Sale Advisor and the Applicants, with adequate time to market the opportunity and engage with parties while respecting the Applicants’ liquidity constraints.
85. In addition, the SISP provides restrictions around the ability of the secured creditors to participate in the SISP which ensure fairness in the working out of the process. The SISP also provides the Monitor with sufficient flexibility to make reasonable and appropriate adjustments to the SISP, if required and to seek further direction from the Court, if needed. The Proposed Monitor is satisfied that the factors to be considered in declaring a Successful Transaction Bidder(s) are reasonable and appropriate in the circumstances.

86. Finally, the Proposed Monitor believes that the KPMG compensation, including the KPMG Work Fee and KPMG Completion Fee, is reasonable and typical of compensation charged on similar mandates by firms of similar expertise.

XIII. PROPOSED MONITOR'S CONCLUSION AND RECOMMENDATIONS

87. For the reasons set out in this Report, the Proposed Monitor is of the view that the relief requested by the Applicants in the proposed Initial Order is both appropriate and reasonable. The Proposed Monitor is also of the view that granting the relief requested will provide the Applicants the best opportunity to undertake a going-concern sale, or other restructuring under the CCAA, thereby preserving value for the benefit of the Applicants' stakeholders. As such, the Proposed Monitor supports the Applicants' application for relief pursuant to the CCAA and respectfully recommends that the Court grant the relief sought by the Applicants in the proposed Initial Order.

All of which is respectfully submitted this 1st day of April, 2025.

Richter Inc.
In its capacity as Proposed Monitor of
ClearPier Acquisition Corp., and 1000238820 Ontario
and not in its personal or corporate capacity

Per:



Karen Kimel,
MAcc, CPA, CA, CPA (IL), CIRP, LIT
Senior Vice President

APPENDIX “B”

UPDATED CASH FLOW FORECAST FOR THE PERIOD ENDING AUGUST 14, 2025

Disclaimer

In preparing this cash flow forecast (the “**Updated Cash Flow Forecast**”), the Applicants have relied upon unaudited financial information and the Monitor has not attempted to further verify the accuracy or completeness of such information. The Updated Cash Flow Forecast reflects assumptions with respect to the requirements and impact of a filing in Canada under the Companies’ Creditors Arrangement Act (“**CCAA**”). Since the Updated Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved will vary from the Updated Cash Flow Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized. The Updated Cash Flow Forecast is presented in US dollars.

US\$'s	31-Mar-25	7-Apr-25	14-Apr-25	21-Apr-25	30-Apr-25	7-May-25	14-May-25	21-May-25	31-May-25	7-Jun-25	14-Jun-25	21-Jun-25	30-Jun-25	7-Jul-25	14-Jul-25	21-Jul-25	31-Jul-25	7-Aug-25	14-Aug-25	TOTAL
CPAC Group (Mar 31, 2025 to Aug 14, 2025)	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	19 Periods
Receipts																				
Collection	1,190,826	769,459	330,688	460,010	914,396	913,199	493,645	735,645	1,491,453	583,289	450,000	716,456	1,483,982	542,328	390,000	766,456	1,793,893	543,677	390,000	14,959,400
VAT refund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Loan Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	1,190,826	769,459	330,688	460,010	914,396	913,199	493,645	735,645	1,491,453	583,289	450,000	716,456	1,483,982	542,328	390,000	766,456	1,793,893	543,677	390,000	14,959,400
Disbursements																				
Publishers / Media	1,059,165	329,760	260,000	357,393	1,108,830	210,000	362,387	971,943	1,213,956	255,065	360,000	763,651	914,352	243,798	360,000	714,769	898,561	243,798	300,000	10,927,430
Payroll related	70,000	210,000	82,750	113,750	80,000	211,500	81,250	113,750	80,000	211,500	81,250	113,750	80,000	211,500	81,250	113,750	80,000	210,000	91,250	2,317,250
Tax prepayments	-	-	-	40,000	-	-	-	40,000	-	-	-	40,000	-	-	-	40,000	230,000	-	-	390,000
VAT	15,000	-	-	31,000	15,000	-	-	31,000	15,000	-	-	1,000	15,000	-	-	1,000	15,000	-	-	139,000
Interest EDC loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forbearance Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Banker Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	12,000	12,000	12,000	22,000	12,000	12,000	12,000	22,000	12,000	12,000	12,000	22,000	12,000	12,000	12,000	22,000	12,000	12,000	12,000	268,000
Rent+office expenses	58,000	-	-	-	2,000	-	-	-	2,000	-	-	-	58,000	-	-	-	2,000	-	-	122,000
Other office expenses	-	30,000	-	-	-	30,000	-	-	-	30,000	-	-	-	30,000	-	-	-	30,000	-	150,000
Offshore teams & content	-	30,000	-	-	-	30,000	-	-	-	30,000	-	-	-	30,000	-	-	-	30,000	-	150,000
Professional services	-	3,000	-	-	-	3,000	-	-	-	3,000	-	-	-	3,000	-	-	-	3,000	-	15,000
Bank fees	-	2,000	-	2,000	-	2,000	-	2,000	-	2,000	-	2,000	-	2,000	-	2,000	-	2,000	-	18,000
HMA Vendor Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FX differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Professional Fees	100,000	196,916	125,000	82,143	71,429	107,630	42,857	35,714	28,571	129,059	67,857	60,714	57,143	121,916	57,143	53,571	53,571	53,571	53,571	1,498,379
KERPs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	488,212	-	-	488,212
Critical Suppliers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	1,314,165	813,676	479,750	648,286	1,289,258	606,130	498,495	1,216,408	1,351,528	672,624	521,107	1,003,115	1,136,495	654,215	510,393	947,091	1,779,344	584,370	456,821	16,483,271
Net Cash Flow Before Transfer	(123,339)	(44,217)	(149,062)	(188,276)	(374,862)	307,068	(4,850)	(480,763)	139,925	(89,334)	(71,107)	(286,660)	347,487	(111,887)	(120,393)	(180,635)	14,548	(40,693)	(66,821)	(1,523,871)
Transfers between accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers restricted and unrestricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow After Transfer	(123,339)	(44,217)	(149,062)	(188,276)	(374,862)	307,068	(4,850)	(480,763)	139,925	(89,334)	(71,107)	(286,660)	347,487	(111,887)	(120,393)	(180,635)	14,548	(40,693)	(66,821)	(1,523,871)
Unrestricted cash opening balance	4,058,972	3,935,633	3,891,416	3,742,353	3,554,078	3,179,216	3,486,284	3,481,435	3,000,672	3,140,597	3,051,263	2,980,155	2,693,496	3,040,982	2,929,095	2,808,703	2,628,067	2,642,616	2,601,923	4,058,972
Unrestricted cash closing balance	3,935,633	3,891,416	3,742,353	3,554,078	3,179,216	3,486,284	3,481,435	3,000,672	3,140,597	3,051,263	2,980,155	2,693,496	3,040,982	2,929,095	2,808,703	2,628,067	2,642,616	2,601,923	2,535,101	2,535,101
Restricted cash opening balance	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949
Transfers between restricted and unrestricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash closing balance	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949	115,949
Unrestricted + restricted cash closing balance	4,051,582	4,007,365	3,858,302	3,670,027	3,295,165	3,602,233	3,597,384	3,116,621	3,256,546	3,167,212	3,096,104	2,809,445	3,156,931	3,045,044	2,924,652	2,744,016	2,758,565	2,717,872	2,651,050	2,651,050

APPENDIX “C”

MANAGEMENT’S REPRESENTATION LETTER REGARDING THE UPDATED CASH FLOW FORECAST FOR THE PERIOD ENDING AUGUST 14, 2025.

April 9, 2025

Richter Inc.
181 Bay St. #3510
Bay Wellington Tower
Toronto ON M5J 2T3

Attention: Karen Kimel

Re: ClearPier Acquisition Corp. ("**CPAC**") and 1000238820 Ontario ("**10002 Ontario**", and together with CPAC, the "**Applicants**") proceedings under the *Companies' Creditors Arrangement Act* ("**CCAA**")
CCAA section 10(2) Prescribed Representations with Respect to Cash Flow Projection

In connection with the motion by the Applicants for an extension of the stay of proceedings and other relief pursuant to the CCAA returnable April 10, 2025, the management of the Applicants has, with the assistance of Richter Inc., prepared the attached weekly cash flow forecast of the Applicants and their subsidiaries (Cygobel Media Ltd., Pesto Harel Shemesh Ltd., HangMyAds Ltd. and KPM Technologies Ltd. and collectively with the Applicants, the "**CPAC Group**") for the period from March 31, 2025 to August 14, 2025 (the "**Cash Flow Forecast**") and the list of assumptions on which the Cash Flow Forecast is based. The purpose of the Cash Flow Forecast is to determine the liquidity requirements of the CPAC Group during the CCAA proceedings.

The CPAC Group confirm that the hypothetical assumptions on which the Cash Flow Forecast is based are reasonable and consistent with the purpose described herein, and the probable assumptions are suitably supported and consistent with the plans of the CPAC Group and provide a reasonable basis for the projections. All such assumptions are disclosed in notes to the Cash Flow Forecast (the "**Notes**").

Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projections have been prepared solely for the purpose described herein, using the probable and hypothetical assumptions set out in the Notes. Consequently, readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

Yours truly,



Name: Jignesh Shah
Title: CTO

(authorized director or officer of the Applicants)

APPENDIX “D”

KPMG ENGAGEMENT LETTER

Please see attached.



KPMG Corporate Finance Inc.
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto ON M5H 2S5
Tel (416) 777-8500
Fax (416) 777-3762
www.kpmg.ca

STRICTLY PRIVATE & CONFIDENTIAL

April 7, 2025

ClearPier Acquisition Corp.
Suite 600, 20 Richmond Street East,
Toronto, Ontario M5C 2R9

Attention: **Sunil Abraham, Co-Founder and CEO**
Jignesh Shah, Co-Founder and CTO

Gentlemen:

This engagement letter agreement (this "Agreement") will confirm the basis upon which ClearPier Acquisition Corp. ("Client", "You" or the "Company") has engaged KPMG Corporate Finance Inc. ("KPMG CF"), on an exclusive basis, to provide financial advisory services with respect to a court approved sale and investment solicitation process ("SISP") that may lead to a Transaction (as defined below) with respect to **ClearPier Acquisition Corp., 1000238820 Ontario Inc.** (collectively, the "**Applicants**"), **Cygobel Media Ltd., KPM Technologies Ltd., HangMyAds, Lda., Pesto Harel Shemesh Ltd.** (collectively, with the Applicants, the "**CPAC Group**"), along with **ClearPier Performance Inc. and Media Quest Group Limited** (collectively with the CPAC Group, the "Targets"). The SISP is to be conducted in the context of the proceedings commenced by the Applicants under *Companies Creditors Arrangement Act* ("CCAA"), where Richter Inc. (the "Monitor") has been appointed by the Ontario Superior Court of Justice (Commercial List) (the "Court") as monitor of the Applicants. KPMG CF understands that this Agreement is subject to the Court approving this Agreement and the SISP, and that the Company is undertaking this engagement with the support of the Monitor, Export Development Corporation, its secured lender ("EDC") and Royal Bank of Canada, the secured lender of the Targets other than those forming part of the CPAC Group.

KPMG CF is an exempt market dealer registered under provincial securities laws in Canada through which KPMG LLP's investment banking services are provided.

Services to be Rendered

In connection with our engagement, which shall not be terminated by KPMG CF during the pendency of the SISP, except should professional regulations require KPMG CF to terminate, we will, to the extent the Company so requests:

Phase I – Market evaluation

- a) familiarize ourselves with the financial condition and business of the Targets and, to the extent necessary and appropriate, any prospective acquirer of the Targets or investor in the Targets, and advise and assist the Monitor and the Company in considering the desirability of effecting a Transaction;
- b) assist the Monitor and the Company in preparing relevant milestones and strategy for a court approved SISP;
- c) assist the Monitor and the Company in preparing an offering document (based solely on information supplied by the Company) describing the Targets, their operations, their historical performance and future prospects. KPMG CF will assist the Monitor and the Company in preparing a focused offering document including pertinent information required for a potential buyer or investor to evaluate their interest in an acquisition of the Targets;
- d) assist the Monitor and the Company in identifying and contacting potential acquirers of or investors in the Targets. KPMG CF would approach potential buyers and investors, including strategic parties and relevant private equity firms, pre-approved by the Monitor to evaluate the offering document under the terms of a non-disclosure agreement. KPMG CF shall be permitted to, and shall, consult the Monitor and EDC regarding the list of potential acquirers and investors to be contacted;
- e) assist the Monitor in analyzing any written non-binding offers received to give advice as to the financial implications of the offers and determine which prospective purchasers or investors may be invited to conduct the due diligence and final proposal phase;
- f) updating EDC and their advisors on the Transaction process, timelines and activity, subject to the terms of the court approved SISP.

Phase II – Due diligence, negotiation and Transaction completion

- a) assist the Monitor in coordinating and organizing due diligence requests from potential acquirers and investors selected to proceed to Phase II; and
- b) advise and assist the Monitor in negotiating the financial aspects of any proposed Transaction.

The Company shall introduce any Specified Party (as defined in the attached Terms and Conditions) that contacts the Company, or is identified by the Company, to KPMG CF for inclusion in the SISP being undertaken to identify and implement a Transaction.

Transaction

For purposes of this Agreement, a “Transaction” shall be the occurrence of any of the following events:

- a) the acquisition, directly or indirectly, by another person including, but not limited to any existing shareholder(s) of the Company or Targets by way of a tender or exchange offer, negotiated purchase or any other means of a material portion of the Company’s securities or assets or a material portion of the securities or assets of a subsidiary of the Company;

- b) a merger, consolidation, joint venture or other business combination pursuant to which the business of the Company or any of its subsidiaries is combined with that of another person including, but not limited to any existing shareholder(s) of the Company; or
- c) the consummation of any recapitalization, excluding any involvement by its existing lender, EDC, if applicable; provided, however, that a transaction by which EDC acquires assets of the Company or any of its subsidiaries or control of the Company or any of its subsidiaries through a credit-bid or foreclosure shall not be a Transaction.

Engagement Team

Neil Blair, Managing Director, and Ryan Connolly, Senior Vice President of KPMG CF, will be the persons primarily responsible for this engagement, supported by Managing Director, Roddy Moon. They will utilize other experienced KPMG CF professionals and research staff as required.

Fees

As compensation for the services to be provided by KPMG CF hereunder, the Company agrees to the following:

- a) monthly work fees (the "Work Fee") of \$75,000/month, invoiced monthly and payable solely by ClearPier Acquisition Corp., and fully credited (together with the technology and support charge) against, or deducted from, the portion of the Completion Fee that is in excess of the Minimum Fee, if any, with first Work Fee due by ClearPier Acquisition Corp. upon execution of the Agreement; and
- b) a completion fee (the "Completion Fee"), in an amount equal to 2.5% of the aggregate Transaction Value (as defined below) of a Transaction or Transactions consummated pursuant to the SISP. In no event shall the Completion Fee be less than \$1,000,000 (the "Minimum Fee") unless no Transaction occurs, in which case no Completion Fee or Minimum Fee will be owing.

The Completion Fee for each Transaction is payable by wire within 2 business days of closing of such Transaction, from the first disbursement of funds arising from such Transaction.

If one or more Transactions occur, the Completion Fee and Work Fees paid shall be allocated on a pro rata basis among the Targets that are the subject of those Transactions based on the Transaction Value obtained in connection with each such Target.

Any amounts due to KPMG CF pursuant to the terms of this engagement letter, aside from the Completion Fee, should be secured by any court approved Administration charge granted in the CCAA proceedings. The Completion Fee should be secured by a separate charge subordinate to the Administration charge. All amounts are in Canadian dollars.

KPMG CF acknowledges and agrees that the Monitor, in its personal or corporate capacity, will not be (a) liable for payment of any fees, costs, disbursements, expenses, indemnification or any other amounts that may be owed or payable to KPMG CF, third-party service providers, or any other person under or related to this Agreement (the "Costs"); or (b) responsible for collection of KPMG CF's Costs.



Transaction Value

For purposes of this Agreement, "Transaction Value" shall mean the aggregate sum of: i) cash, ii) the total amount of indebtedness for borrowed funds and non-trade liabilities of the Targets that are assumed or otherwise satisfied in connection with a Transaction, and (iii) the fair market value (on the date of closing) of any other consideration paid or payable directly or indirectly to the Company in connection with a Transaction.

Taxes and Expenses

All our fees are subject to HST.

Our monthly work fees are also subject to a 7% technology and support charge to cover information technology infrastructure costs and administrative support of our client service personnel which are not included in our client service personnel fee. The Company agrees to reimburse KPMG CF for reasonable all out-of-pocket expenses, such as travel, incurred by KPMG CF pursuant to its engagement hereunder, whether or not a Transaction is consummated.

Other Matters

We will take reasonable steps to maintain the confidentiality of this engagement (excluding disclosures as permitted hereunder to EDC) and any proprietary or confidential information furnished to us by the Company. Nevertheless, upon successful closing of a Transaction and subject to your prior written approval, KPMG CF will have the right (but shall not be obliged), at our expense, to publicize our association with the Transaction by way of public announcement in "tombstone" or similar format, subject to your prior review of the wording of any such announcement.

This engagement is subject to KPMG's Terms and Conditions for Advisory and Tax Services attached as Appendix A, and incorporated herein by reference. References in Appendix A to "KPMG" shall mean KPMG Corporate Finance Inc.

Please note that our delivery of services under this engagement letter is subject to the satisfactory completion of KPMG's internal procedures for engagement approval and acceptance, as well as background checks.



If the terms of this engagement letter as set forth above are acceptable to the Company, please indicate the Company's acceptance and authorization by signing below and returning one copy to me. We are pleased to discuss this letter and our proposed engagement at any time.

Very truly yours,

KPMG CORPORATE FINANCE INC.

Neil Blair
Managing Director
Direct Dial: +1 416 777 8657

Acceptance:

I have read and understood the terms and conditions of this letter and I agree to accept them for and on behalf of ClearPier Acquisition Corp., having appropriate authority to engage the entity or entities.

_____ Signature

_____ Title

_____ Name

_____ Date

_____ Signature

_____ Title

_____ Name

_____ Date



Terms and Conditions for Advisory and Tax Services

These Terms and Conditions are an integral part of the Engagement Letter. In the event of conflict between the Engagement Letter and these Terms and Conditions, these Terms and Conditions shall prevail unless specific reference to a provision of the Terms and Conditions being varied is made in the Engagement Letter.

1. Definitions.

"Affiliate" means any legal entity that, directly or indirectly, controls, is controlled by, or is under common control with, the applicable entity, where "control" means ownership of more than fifty percent of the outstanding voting equity interests.

"Agreement" means the contract formed by the Engagement Letter and any attachments thereto, including these Terms and Conditions.

"Claims" means actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses.

"Client" means the client(s) under the Engagement Letter.

"Client Materials" means any materials, equipment, systems, software/software as a service, data and information supplied or made available by or on behalf of Client to KPMG in connection with the Services.

"Confidential Information" means any information made available, directly or indirectly, by one party to the other in connection with the Services or otherwise pursuant to this Agreement that is marked or communicated as confidential or that due to its nature a reasonable person under like circumstances would consider it confidential. Confidential Information includes, without limitation, Personal Information, business plans, proprietary software code and specifications, information about a party's products, processes, services, finances and customers, and the terms of this Agreement, except (but not as regards Personal Information) to the extent such information: (i) is or hereafter enters the public domain through no fault of the receiving party; (ii) is already or hereafter becomes known to the receiving party free of any obligation of confidence; or (iii) is developed by the receiving party independently of the disclosing party's Confidential Information.

"Deliverables" means the written advice, reports, presentations and other tangible items created by KPMG for delivery to Client that are specified as deliverables in the Engagement Letter.

"Engagement Letter" means the engagement letter or other document referencing these Terms and Conditions.

"KPMG" means the KPMG entity that issued the Engagement Letter.

"KPMG Parties" means KPMG, other Member Firms, the legal entities comprising KPMG International (which do not provide services to clients) and their respective partners, directors, officers, employees, agents, subsidiaries, Affiliates and related entities. KPMG Parties may be in or outside of Canada.

"KPMG Property" means all rights and interest (including all intellectual property rights) in and to: (i) all inventions, trade-secrets, methodologies, know-how, concepts, ideas, techniques, works of authorship (including templates, art work and graphics), technology (including software applications, code, scripts, connectors and tools) and other proprietary materials and information that is licensed, owned or developed by KPMG prior to, independently of, or in the course of providing the Services, and any enhancements, improvements and modifications made to, or derivative works of, any of the foregoing; and (ii) KPMG's working papers, working drafts and internal correspondence. For certainty, KPMG Property does not include Client Confidential Information or Client Materials.

"KPMG Resources" means KPMG, other Member Firms and third-party contractors and suppliers engaged by KPMG or a Member Firm. KPMG Resources may be in or outside of Canada.

"Legal Demand" means a demand, request, subpoena or other legal process issued by a legal, regulatory, professional or government authority having jurisdiction.

"Member Firms" means the members of the KPMG international network of independent firms and entities controlled by, or under common control with, one or more of such members.

"Personal Information" means any information supplied by or on behalf of Client that meets the definition given to that term or analogous terms under Privacy Laws.

"Privacy Laws" means, in respect of a party, all privacy legislation and regulation applicable to such party, in each case as may be updated, amended or replaced from time to time.

"Services" means the services to be provided by KPMG as set out in the Engagement Letter.

"Terms and Conditions" means these Terms and Conditions for Advisory and Tax Services.

Other capitalized words in these Terms and Conditions shall have the meanings given to them in the Engagement Letter.

2. Services.

- a. Any work performed by KPMG on the Services prior to or following the execution of this Agreement shall be governed by this Agreement.
- b. KPMG may engage other KPMG Resources to assist KPMG in the performance of the Services, provided that KPMG remains responsible to Client for the performance of any Services by KPMG Resources. Client agrees that any Claim relating to the Services, the Deliverables or this Agreement may only be made against KPMG and not against any other KPMG Resource.
- c. KPMG will, in performing the Services, rely on the facts, assumptions, data, material and other information furnished by or on behalf of Client without any independent investigation or verification. Inaccuracy or incompleteness of such facts, assumptions, data, material and other information could have a material effect on KPMG's conclusions or the results or performance of the Services or Deliverables.
- d. After the completion of the engagement, unless Client separately engages KPMG to do so, KPMG will not update the Services or Deliverables for changes in law or regulations, or to the judicial and administrative interpretations thereof, or for subsequent events or transactions.
- e. Unless expressly stated in the Engagement Letter, the Services do not include: (a) any lobbying activity, as defined in all applicable federal, provincial and municipal lobbyist registration statutes and regulations; or (b) the provision of legal advice.



Terms and Conditions for Advisory and Tax Services

- f. Except as otherwise set forth in the Engagement Letter, Client acknowledges that completion of the engagement or acceptance of the Deliverables will not constitute a basis or be relied upon for Client's assessment or evaluation of internal control over financial reporting, disclosure controls and procedures, officer certification requirements, or Client's compliance with any requirements for an internal control report from management.

3. Client Responsibilities.

- a. Client agrees to cooperate with KPMG in the performance of the Services and shall provide KPMG with timely access to and use of the Client Materials, personnel and facilities necessary for KPMG to perform the Services. Client shall promptly respond to KPMG inquiries, review reports and advise KPMG of any additional work Client would like KPMG to perform. The Engagement Letter may set forth additional responsibilities of Client in connection with the engagement. Client acknowledges that Client's failure to perform its obligations under this Agreement could adversely impact KPMG's ability to perform the Services, and/or to perform them in accordance with the fees and timelines set out in the Engagement Letter.
- b. Where the Services contemplate access to Client Materials, Client represents and warrants that Client has secured all rights, licenses, consents and permissions necessary for KPMG Resources to receive, use, copy, modify and incorporate such Client Materials to the extent required for KPMG to provide the Services and Deliverables.
- c. Client agrees that, while the Services may include advice and recommendations, all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, Client. Client, and not KPMG, shall perform the following functions: (i) make all management decisions and perform all management functions; (ii) designate an individual who possesses suitable skill, knowledge and experience, preferably within senior management, to oversee the performance of the Services, and to evaluate the adequacy and results of such Services; (iii) accept responsibility for the results of such Services; and (iv) establish and maintain internal controls over the processes with which such Services are concerned, including, without limitation, monitoring ongoing activities.

4. Ownership, Use and Disclosure of our Advice.

- a. Subject to Client's payment in full of all fees owing under the Engagement Letter: (i) Client shall be the owner of any final Deliverables, excluding any KPMG Property embodied therein; and (ii) with respect to KPMG Property embodied therein, KPMG grants to Client a perpetual, royalty-free, non-exclusive, non-transferable and non-sublicensable license to use such KPMG Property solely in connection with Client's internal use of the Deliverables as intended under the Engagement Letter. Subject to KPMG's confidentiality obligations hereunder, KPMG Resources are entitled to use or develop the knowledge, experience and skills of general application gained through the provision of the Services.
- b. The Services and Deliverables are provided for Client's sole benefit and internal use as intended under the Engagement Letter, and are not for the benefit or use of, or to be relied upon by, any other party. KPMG does not assume any responsibility to any party other than Client in respect of the Services or Deliverables. Accordingly, in the event of a Claim by any third party (including any Client Affiliate) against KPMG that arises out of or relates to the Services or Deliverables, Client will indemnify and hold harmless KPMG from all such Claims, including, without limitation, reasonable legal fees. For purposes of this Section 4(b), the term KPMG shall include KPMG Parties.
- c. Client may not rely on any oral, draft or interim advice or Deliverables. Where Client wishes to rely on oral, draft or interim advice or Deliverables, Client shall request that KPMG provide confirmation in writing.
- d. Client may disclose a copy of any final Deliverable: (i) in response to a Legal Demand or otherwise to the extent required by law; (ii) on a non-reliance basis to Client's legal and other professional advisors if seeking advice in relation to the Services; (iii) on a non-reliance basis to Client's Affiliates who need to know in order to facilitate Client's use of the Deliverables; and (iv) on a non-reliance basis to EDC, provided that in each case Client notifies the recipient that the Deliverables are confidential and that, to the fullest extent permitted by law, KPMG accepts no responsibility to them in connection with the Services or the Deliverables. Client may not otherwise disclose, publish or otherwise make available any Deliverable (in whole or in part) to any third party without the prior written consent of KPMG. This Section 4(d) is subject to Section 16(f) (Additional Terms for Tax Services).
- e. Where Client is permitted to disclose Deliverables to third parties under this Agreement, they may only be disclosed in whole, unless otherwise agreed to or required by KPMG. Deliverables may not be modified by Client. Notwithstanding Client's ownership of any Deliverable, KPMG may retain copies of the Deliverables.

5. Confidentiality.

- a. Except with the disclosing party's prior written consent, or as otherwise expressly provided in this Agreement, each party will hold the other party's Confidential Information in confidence and use it only to perform or receive the Services, as applicable, or to exercise its rights and perform its obligations under this Agreement. The receiving party shall protect the disclosing party's Confidential Information as it protects its own Confidential Information, but in no event shall exercise less than reasonable care.
- b. KPMG may share Confidential Information of Client with other KPMG Resources who are assisting KPMG in the performance of the Services.
- c. The receiving party may disclose Confidential Information of the disclosing party: (i) to the extent required by law or professional standards; (ii) to its professional advisors and insurers in relation to any dispute concerning this Agreement; and (iii) in the case of a Legal Demand, provided that the receiving party will exercise commercially reasonable efforts to afford the Confidential Information all available confidentiality protections.
- d. Each party may share Confidential Information of the other party (in the case of KPMG, with other KPMG Resources and KPMG Parties, and in the case of Client, with third parties engaged by Client), as reasonably required to facilitate the operation of its business or support its infrastructure, including for the performance of administrative, clerical and technological operations and functions, to manage its relationship with the other party and, in the case of KPMG, to comply with its professional obligations and standards (including for quality assurance and risk management purposes). Any such disclosure shall be under obligations of confidentiality to the same or similar extent as the parties have agreed to hereunder, and each party shall be responsible to the other for any failure to comply with such conditions of confidentiality.
- e. KPMG Parties and KPMG Resources may use information obtained while performing engagements for business-related purposes including developing new or improving existing services, technologies, data sets and benchmarks, conducting analytics and training cognitive systems. Where this involves Confidential Information of Client, it will not be disclosed to other third parties unless de-identified, anonymized and/or aggregated so as not to be attributable to Client.
- f. KPMG may disclose the general nature of its engagement for Client as reasonably required in order to assess and address conflicts of interest.



Terms and Conditions for Advisory and Tax Services

- g. Professional standards require KPMG personnel performing any assurance services for clients to have available to them all information that may affect the assurance engagement. If Client is or becomes an assurance client, KPMG personnel performing Services under this Agreement are authorized to make information from the engagement available to the KPMG assurance engagement team, who may use all such information in KPMG's assurance engagement.

6. Privacy.

- a. Each party will comply with Privacy Laws in connection with the engagement. Additionally, KPMG shall process Personal Information in accordance with this Agreement and KPMG's Privacy Policy available at www.kpmg.ca. Client will provide all notifications and obtain all consents required by Privacy Laws to permit KPMG Resources and KPMG Parties to process such Personal Information in connection with the engagement. Upon request, each party shall provide the other with information and co-operation relating to its processing of Personal Information as reasonably required in order for the other to satisfy its obligations under Privacy Laws.
- b. KPMG will use reasonable technical and organizational measures to protect against unauthorized or unlawful processing of Personal Information and accidental loss or destruction of, or damage to, Personal Information. Subject to each party's standard internal archival and information back-up processes and except as required to comply with applicable laws or professional standards, each party will destroy Personal Information when no longer needed for the uses set out in this Agreement.

7. Fees.

- a. Invoices will be rendered on a regular basis or otherwise specified in the Engagement Letter. KPMG's professional fees are subject to an additional technology and support charge which covers costs such as client service personnel computer hardware and customized KPMG software, telecommunications equipment, client service professional administrative support, IT programming, professional services and other client support services. Other direct out-of-pocket costs and expenses, such as travel, will be charged separately based on actual costs. KPMG's professional fees and other charges do not include any applicable federal, provincial or other sales taxes, tariffs or duties, which shall be added to the invoice and paid by Client. Accounts are due when rendered.
- b. KPMG may be requested by Client or be subject to a Legal Demand to produce documents or personnel as witnesses or for interviews in a proceeding or investigation to which KPMG is not a named party. In such circumstances, KPMG may charge Client at its standard billing rates for professional time and expenses, including reasonable legal fees, incurred in responding to such request or Legal Demand.
- c. Where a completion fee is contemplated in the Engagement Letter, in the event that the engagement is terminated and Client proceeds to complete the applicable transaction or financing with a Specified Party within 12 months from the termination date, then the full amount of the completion fee shall be payable on closing of the transaction or the completion of financing, regardless of whether KPMG provided further service. For the purposes of this section, a "Specified Party" means a party that was identified, sourced or introduced to the Client by KPMG during the engagement prior to termination or with whom the Client identified or had contact with in the engagement period prior to termination.

8. Limitation on Liability.

- a. KPMG shall not be liable to Client for any Claims in any way arising out of, or in any way relating to, the performance of the Services, including without limitation the termination thereof, for an aggregate amount that is more than the fees paid to KPMG under this Agreement, except to the extent finally determined to have resulted from KPMG's fraud or wilful misconduct.
- b. KPMG shall not be liable to Client for consequential, special, indirect, incidental, punitive or exemplary damages, or any loss of revenue or profit or other commercial or economic loss, even if advised of the possibility thereof.
- c. Where Client has suffered a Claim in relation to the Services and parties other than KPMG Resources are partially responsible for such Claim, then KPMG is only liable for, and Client may only claim from KPMG, KPMG's share of the total liability based on degree of fault or negligence, subject to the limitations set out in Sections 8(a) and (b) above.
- d. For purposes of this Section 8, the term KPMG shall include KPMG Parties. The provisions of this Section 8 shall apply regardless of the form of claim, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

9. Termination and Survival.

- a. Unless terminated sooner in accordance with its terms, this Agreement terminates when KPMG issues its final invoice to Client.
- b. This Agreement may be terminated by either party: (i) at any time by giving written notice to the other party not less than 30 days before the effective date of termination; or (ii) on 10 days' written notice to the other party should the other party fail to fulfil its obligations under this Agreement and not rectify such failure prior to the expiration of such 10-day period. KPMG may also terminate this Agreement upon written notice to Client if there is a change of laws or professional standards or a change in circumstances or information that would, in KPMG's opinion, cause the continued provision of Services to violate such laws or professional standards.
- c. Without limiting its rights or remedies, KPMG shall have the right to suspend or terminate the Services for non-payment of fees.
- d. Upon early termination of the engagement, Client shall be responsible for the payment of KPMG's time and expenses incurred up to the effective date of termination, as well as reasonable time and expenses to bring the engagement to a close in a prompt and orderly manner. Otherwise, neither party will be responsible for any loss, cost or expense resulting from termination of this Agreement in accordance with its terms.
- e. Except for Sections 2(c), 2(e), 3(a) and 10, these Terms and Conditions shall survive the expiration or termination of the engagement and this Agreement.

10. Force Majeure.

Neither party shall be liable for any delays in the performance of its obligations hereunder, other than payment obligations, arising out of or caused by, directly or indirectly, circumstances or causes beyond its control, including, without limitation, fire or other casualty, strike or labour dispute, war or other violence, any law, order or requirement of any governmental agency or authority, or any epidemic, pandemic or quarantine.



11. Conflicts of Interest.

In accordance with applicable professional standards, based upon the information provided by Client, KPMG performs a search for any conflicts of interest in connection with the Services. Where such a conflict of interest is identified, KPMG will, subject to confidentiality, disclose the nature of the conflict to Client, the ethical dividers and other safeguards to be implemented, and seek Client's consent. Notwithstanding the foregoing, KPMG may advise any other client making a competing bid or proposal to Client, whether or not KPMG is advising Client in respect of Client's bid or proposal. For certainty, a conflict of interest does not arise solely because KPMG or another Member Firm is, was or will be engaged by another client who is a business competitor, customer or supplier of Client.

12. Publicity and Use of Logo.

Neither party shall acquire any right to use the name or logo (or any part thereof) of the other party in any manner or medium, except that Client gives KPMG a limited, revocable, non-exclusive, paid-up, royalty free right to use Client's name and logo as follows: (a) in presentations and reports to Client; (b) for internal KPMG presentations and intranet sites; and (c) upon the closing of a transaction (if applicable), KPMG may, at its expense, publicize its association with the transaction by way of public announcement in "tombstone" or similar format, subject to prior review of such public announcement with Client. KPMG may also reference Client's name as a customer in KPMG proposals and marketing materials, including KPMG websites and social media, indicating the general services rendered.

13. Miscellaneous.

- a. The parties hereto are independent contractors, and nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment, or fiduciary relationship between them. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.
- b. Client acknowledges that it has had the opportunity to obtain legal advice with respect to Client's rights and obligations under this Agreement.
- c. The parties consent and agree to the use of electronic signatures with respect to this Agreement and any other agreements, notices or communications contemplated hereby, where permissible by law.
- d. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors, executors, administrators, heirs and permitted assigns, as applicable. Except as expressly provided herein, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party. KPMG may assign its rights and obligations hereunder to any Affiliate or successor in interest to all or substantially all of the assets or business of the relevant KPMG practice, without the consent of Client.
- e. The provisions of this Agreement shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of these provisions shall be held to be invalid, void or unenforceable, the remaining provisions shall not be affected, impaired or invalidated, and each such provision shall be valid and enforceable to the fullest extent permitted by law.
- f. KPMG is a registered limited liability partnership (LLP) established under Ontario laws. A partner in an LLP is not personally liable for any debts, obligations or liabilities of the LLP, including those that arise from any negligent act or omission by another partner or by any person under that other partner's direct supervision or control. Partners of an LLP are personally liable only for their own actions and omissions, and for the actions and omissions of those they directly supervise or control.

14. Entire Agreement.

This Agreement constitutes the entire agreement between KPMG and Client with respect to the engagement and supersedes all other oral and written representations, understandings or agreements relating to the Services. Except as expressly stated in this Agreement, KPMG expressly disclaims and makes no representations, conditions or warranties of any kind or nature with respect to the Services or Deliverables, express or implied, including warranties of merchantability, fitness for a particular purpose or use, or non-infringement. Any changes to this Agreement must reference this Agreement, be in writing and be signed by an authorized signatory of each party.

15. Governing Law and Disputes.

- a. This Agreement shall be subject to and governed by the laws of the Province in which KPMG's principal Canadian office performing the engagement is located (without regard to such Province's rules on conflicts of law).
- b. All disputes arising out of or in connection with this Agreement or the Services, or in respect of any legal relationship associated with or derived from this Agreement, shall be finally resolved by arbitration under the Arbitration Rules of the ADR Institute of Canada, Inc. The seat of arbitration will be the city in Canada in which KPMG's principal office performing the Services is located. The arbitration shall be conducted in English.

16. Additional Terms for Tax Services.

The following provisions also apply where KPMG is engaged to perform Canadian and/or United States tax services:

- a. KPMG will consider the applicable provisions of the relevant taxing statutes, the regulations thereunder, applicable tax treaties and judicial and administrative interpretations thereof. In the case of Canadian tax services only, KPMG will also take into account all specific proposals to amend such statutes, regulations and treaties publicly announced prior to the date of KPMG's reports, based on the assumption that these amendments will be enacted substantially as proposed. For certainty, in the case of US tax services, KPMG shall not take into account any specific proposals to amend such statutes, regulations and treaties. These authorities are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of KPMG's advice and may result in incremental taxes, interest or penalties. KPMG's advice will not otherwise take into account or anticipate any changes in law or practice, by way of judicial, governmental or legislative action or interpretation. Unless Client specifically requests otherwise, KPMG will not update tax work to take any such changes into account.
- b. All tax returns and filings are subject to examination by tax authorities, and KPMG's advice may be audited and challenged by a tax authority. Client understands that KPMG's conclusions are not binding on tax authorities or the courts and should not be construed as a representation, warranty or guarantee that the tax authorities or courts will agree with KPMG's conclusion.
- c. KPMG is not responsible for any taxes, penalties or interest assessed against Client, or for any form of loss suffered by Client, as a result of a failure by Client to (i) provide KPMG with accurate and complete information or (ii) implement KPMG's advice in accordance with KPMG's recommendations.



Terms and Conditions for Advisory and Tax Services

- d. Unless expressly provided for in the Engagement Letter, KPMG's services do not include representing Client in the event of a challenge by the Canada Revenue Agency, the United States Internal Revenue Service ("IRS") or other tax or revenue authorities.
- e. A number of domestic and foreign jurisdictions, including, among others, Canada, the Province of Quebec, the United States and the European Union, are enacting or have enacted mandatory disclosure regimes ("MDRs"), which require taxpayers and/or their advisors to provide notice of or disclose certain transactions, agreements or arrangements ("Reportable Arrangements") to the relevant local taxing authorities. Non-compliance with MDRs may result in adverse tax consequences, including significant penalties. Accordingly, the parties hereby agree that KPMG, other Member Firms located outside of Canada who are involved in the Services, and/or Client may, as required, disclose details of the advice and/or work product provided under this Agreement to relevant taxing authorities with respect to a Reportable Arrangement (an "MDR Disclosure"). Unless prevented by law, KPMG will use commercially reasonable efforts to inform Client if KPMG is required to make, or KPMG becomes aware that another Member Firm is required to make, an MDR Disclosure. Unless prevented by law, Client will use commercially reasonable efforts to inform KPMG if Client or any of Client's other advisors is required to make an MDR Disclosure or if an MDR Disclosure was required prior to the engagement for any part of a series of transactions within the scope of the engagement. Client is advised to consult with a tax or legal professional service provider proficient in such MDRs for assistance in this regard; for greater certainty, unless expressly provided for in the Engagement Letter, the Services do not include advice in relation to the application of, and compliance with, MDRs. To the fullest extent permitted by law, KPMG is not liable to Client for any consequences that may result or arise from or otherwise be connected with any MDR Disclosure made by KPMG or another Member Firm in good faith.
- f. The prohibitions on Client set out in Sections 4 and 5 of these Terms and Conditions regarding the disclosure, publication or other distribution of KPMG's reports and written advice or information provided by KPMG, or any similar prohibition set out in the Engagement Letter, shall not apply, and no provision of this Agreement is or is intended to be construed as: (i) confidential protection within the meaning of subsection 237.3(1) of the Income Tax Act (Canada) (the "ITA") or any applicable regulations thereunder; (ii) a condition of confidentiality within the scope of the Internal Revenue Code of 1986 ("IRC") section 6011 as implemented through Treasury Regulation 1.6011-4(b)(3)(i) (without regard to references to payment or receipt of a minimum fee); or (iii) any similar confidentiality protection or condition under any similar or analogous provisions of the laws of any province, state or other jurisdiction. In particular, Client may disclose to any and all persons, without limitation of any kind, tax information, advice and other materials KPMG provides to Client relating to the tax treatment, details or structure of a transaction or series of transactions within the scope of the engagement. Client will use commercially reasonable efforts to inform KPMG of any confidential protection or conditions of confidentiality imposed by any third-party advisor or promoter with respect to any transaction or series on which KPMG's services are requested. Such notification must occur prior to KPMG providing any advice with respect to the transaction or series.

Notwithstanding the foregoing, Client acknowledges and agrees that all tax Services and Deliverables are designed to meet Client's agreed requirements only, as determined by Client's needs at the time, and are not suitable to be used by any party other than Client. KPMG assumes no responsibility and accepts no liability to any person or entity other than Client in respect of the tax Services and Deliverables. Accordingly, Client agrees, in connection with any disclosure by or on behalf of Client of any such information to a third party: (i) Client accepts the risk of such disclosure and will not hold KPMG responsible if such disclosure results in adversity to Client; (ii) Client will, at the time of disclosure, inform the third party that KPMG accepts no responsibility or liability to such person in connection with the information disclosed; (iii) as the information is not to be relied upon by the third party, the third party shall have no grounds for holding KPMG responsible or liable to them or other person(s) in connection with the information disclosed; and (iv) if, notwithstanding such expectations, a Claim is incurred by KPMG as a result of, arising from or in connection with any such disclosure, Client will indemnify and hold harmless KPMG against such Claim (including, without limitation, reasonable legal fees). In this subsection 16(f), "KPMG" shall include KPMG Parties. The foregoing indemnification obligation shall apply regardless of the form of Claim, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

- g. Where the Services or any part thereof will be provided by the United States Member Firm, Client acknowledges that the personnel providing such Services may not be licensed as certified public accountants under the laws of any of the various states.

17. Additional Terms for Due Diligence Services (Tax and Transaction Services).

As used herein, "Target" refers to the entity(ies) or division(s) (which may include Client or divisions of Client) representing the subject of the due diligence assistance procedures, as set out in the Engagement Letter.

- a. KPMG will only perform the procedures as specified in the Engagement Letter. These procedures are limited in nature and extent to those determined by Client to meet its needs and, as such, will not necessarily disclose all significant matters about Target or reveal errors in the underlying information, instances of fraud, or illegal acts, if any. KPMG does not guarantee the sufficiency of these procedures for the purpose for which KPMG has been engaged or for any other purpose. KPMG's findings will not constitute recommendations to Client to proceed or not proceed with any proposed transaction. KPMG will rely exclusively upon information provided to KPMG by Target and Client, and any publicly available information obtained by KPMG, without independently verifying such information.
- b. KPMG's procedures with respect to Target's financial information will be substantially less in scope than any audit or other attestation standards, including without limitation those established by the Auditing and Assurance Standards Board in Canada. Future-oriented financial information is based on assumptions regarding future events; actual results will vary from the information presented and the variations may be material. Accordingly, KPMG expresses no opinion and provides no assurance regarding Target's future-oriented financial information, financial statements or internal controls over financial reporting.
- c. Client may request that KPMG's report be distributed to a third party (other than Target) for informational purposes, or to Target for purposes of confirming the factual accuracy of the information contained therein. Unless specifically requested by Client, KPMG will not seek Target's confirmation of the factual accuracy of the information presented in KPMG's report. As a condition of any such disclosure, Client shall execute, and require the third party (or Target, as applicable) to execute a hold harmless letter in a form provided by KPMG regarding the release of information.
- d. If KPMG provides services to Target, Client agrees and acknowledges that KPMG may be in possession of confidential information concerning Target that may be relevant to the Services. KPMG will not disclose any such confidential information to Client unless Target provides prior written consent to such disclosure or provides such information directly to Client or to the KPMG engagement team under this Agreement for purposes of the Services. In addition, if KPMG serves as independent auditors of Target, KPMG's professional standards may require the KPMG team serving Client to disclose to the KPMG audit team serving Target information affecting the audit of Target.