Clerk's Stamp

COURT FILE NUMBER	2601-03446
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF RDFN FUM NATURAL PRODUCTS LTD. AND RDFN FUM NATURAL PRODUCTS INC.
DOCUMENT	**THIRD REPORT OF ALVAREZ & MARSAL CANADA INC. IN ITS CAPACITY AS MONITOR** **July 21, 2026**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** ALVAREZ & MARSAL CANADA INC. Bow Valley Square IV Suite 1110, 250 – 6 Avenue S.W. Calgary, Alberta T2P 3H7 Orest Konowalchuk Telephone: (403) 538-4736 Email: okonowalchuk@alvarezandmarsal.com **COUNSEL TO THE MONITOR** Osler, Hoskin & Harcourt LLP Suite 2700, Brookfield Place 225 – 6 Avenue S.W. Calgary, Alberta T2P 1N2 Randal Van de Mosselaer Telephone: (403) 260-7060 Email: rvandemosselaer@osler.com File: 1279602

ALVAREZ & MARSAL

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LISTING OF APPENDICES TO THE THIRD REPORT OF THE MONITOR

INTRODUCTION

1. On February 4, 2026 (the "**Filing Date**"), RDFN FUM Natural Products Ltd. ("**FUM Canada**") and RDFN FUM Natural Products Inc. ("**FUM US**") each filed Notices of Intention to Make a Proposal ("**NOI**" or the "**Filing**") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"). Alvarez & Marsal Canada Inc. ("**A&M**") was appointed to act as Trustee under the Proposal (the "**Proposal Trustee**"). FUM Canada and FUM US are hereinafter collectively referred to as the "**Companies**", "**FUM**" or the "**Applicants**", and those proceedings are referred to as the "**Proposal Proceedings**".

2. On February 17, 2026, upon the application of the Companies (the "**Foreign Representative Application**") and supported by the first affidavit of Mr. Braeden Pauls filed in the Proposal Proceedings, the Court of King's Bench of Alberta (the "**Court**") granted an order (the "**Foreign Representative Order**") authorizing, among other things, FUM Canada to act as foreign representative (the "**Foreign Representative**") of the Proposal Proceedings for the purpose of having the Proposal Proceedings recognized in the United States of America ("**USA**") or any other foreign jurisdiction.

3. On February 18, 2026, FUM Canada, in its capacity as Foreign Representative, applied to the United States Bankruptcy Court for the District of Nevada (the "**US Court**") for, among other things, provisional relief and recognition of the Proposal Proceedings pursuant to Chapter 15 of the *United States Bankruptcy Cod*e (the "**Chapter 15 Proceedings**"). On February 24, 2026, the US Court granted certain provisional relief in favour of the Companies.

4. On March 2, 2026, the Court of King's Bench of Alberta granted an order continuing the Proposal Proceedings into proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the "**CCAA**", and the proceedings, the "**CCAA Proceedings**"), granting a stay of proceedings for an

initial ten (10) day period (the “**Initial Stay Period**”) and, among other relief, appointing A&M as Monitor of the Companies (the “**Monitor**”).

5. On March 12, 2026, the Applicants sought and obtained an amended and restated initial order (the “**ARIO**”) which, among other things, extended the Initial Stay Period to May 26, 2026 (the “**Stay Period**”) and increased the charge on the assets, property and undertakings of the Companies as security for the fees and costs of the Monitor and its independent legal counsel, as well as the US and Canadian legal counsels to the Companies, from $150,000 to $500,000.

6. On March 24, 2026, upon application of FUM Canada as Foreign Representative, the US Bankruptcy Court granted an order approving, among other things, recognition of the Foreign Proceeding (i.e. these CCAA Proceedings) as a foreign main proceeding and final relief in aid of the Foreign Representative in furtherance of the Foreign Proceeding.

7. On April 17, 2026, the Applicants sought and obtained, among other things, the following relief from this Honourable Court: (i) an order (the “**Guarantor Stay Order**”) granting a stay of any claims against any of the former, current, or future directors, officers, or employees of the Applicants (“**Guarantor Stay Parties**”), and (ii) an order (the “**Claims Process Order**”) approving the Applicants' proposed claims process to determine and prove the claims of creditors asserted against the Applicants (the "**Claims Process**").

8. On July 21, 2026 the Applicants filed a notice of application with the Court, returnable on July 27, 2026 (the "**July 27 Application**"), seeking, among other things, the following relief:

    a) an order (the “**Stay Extension Order**”) granting:

        i. an extension of the Stay Period and the stay period for the Guarantor Stay Parties (the “**Guarantor Stay Period**”) to October 2, 2026 (collectively, the "**Stay Extension**");

ii. approval of the actions, activities and conduct of the Monitor, as set out in this third report of the Monitor (this “**Report**” or the “**Third Report**”);

iii. approval of a proposed key employee retention plan (the "**KERP**") and corresponding charge to secure obligations under the KERP up to an amount of $100,000; and

iv. approval of the accounts of the Monitor, Osler, Hoskin & Harcourt LLP’s (“**Osler**” or the “**Monitor’s Canadian Legal Counsel**”), Munsch Hardt Kopf & Harr, P.C. (“**Munsch Hardt**” or “**Monitor’s US Counsel**”), and the Monitor’s conflict counsel, Norton Rose Fulbright Canada LLP (“**NRF**” or “**Monitor’s Conflict Counsel**”) respective fees and disbursements.

9. Further information regarding these CCAA Proceedings, including the Initial Order, ARIO, affidavits, the reports of the Monitor and all other materials filed with the Court are available on the Monitor’s website at www.alvarezandmarsal.com/FUM (the “**Website**”).

PURPOSE

10. This Third Report is intended to provide this Honourable Court with information in respect of the following:

a) the activities of the Monitor since the second report of the Monitor dated April 17, 2026 (the “**Second Report**”);

b) the Companies’ actual receipts and disbursements as compared to the cash flow statement presented in the Second Report;

c) the Companies’ revised cash flow forecast during the period from July 12, 2026 to October 10, 2026 (the “**Fourth Cash Flow Forecast**”);

d) an update on the proposed plan of compromise or arrangement (the "**Plan**");

e) an update on the Claims Process;

f) the proposed KERP and related Court charge;

g) a summary of the professional fees and disbursements of the Monitor and the Monitor's legal counsels;

h) the Stay Extension; and

i) the Monitor’s conclusions and recommendations in respect of the above.

TERMS OF REFERENCE

11. In preparing this Report, A&M, in its capacity as the Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Applicants and has held discussions with the Applicants' management ("**Management**") and their respective counsel and directors (collectively, the "**Information**"). Except as otherwise described in this Report, in respect of the Applicants' cash flow forecast:

   a) 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 ("**CASs**") 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 CASs in respect of the Information; and

   b) 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.

12. Future-oriented financial information referred to in this Report was prepared based on the Applicants' estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

13. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

ACTIVITIES OF THE MONITOR

14. Since the date of the Second Report, the Monitor's activities have included the following:

   a) convening numerous meetings with the Companies' legal counsel, MLT Aikins LLP ("**MLT**" or "**Company's Legal Counsel**") (that had been retained in place of the Companies' former legal counsel McCarthy Tetrault LLP), to discuss matters relating to the CCAA Proceedings generally and provide material developments to date;

   b) conducting numerous discussions and meetings with Management, the Monitor's Legal Counsel, Monitor's Conflict Counsel, and the Company's Legal Counsel relating to matters relevant to the CCAA Proceedings, the Claims Process and potential Plan that may be presented to the Companies' creditors and stakeholders, and the Companies' operations and business and financial affairs, generally;

   c) retaining Munsch Hardt concerning the review of certain of the Companies' creditors' security as against the assets of the Applicants that are governed by US law;

   d) administering the Claims Process, in consultation with Management and the Companies' legal counsel as well as the Monitor's Legal Counsel and

Monitor's Conflict Counsel, including disseminating a claims package pursuant to the Claims Process Order, reviewing and assessing Proofs of Claims, preparing and issuing Notices of Revision and Disallowance, engaging in communications with claimants regarding their claims, and addressing ongoing enquiries and claim-related matters;

e) engaging McDougall Auctioneers Ltd. ("**McDougall**") to prepare a desktop appraisal of the Companies' inventory for the purposes of supporting the preparation of the Monitor's liquidation analysis ("**Liquidation Analysis**") when considering the Company's restructuring options;

f) preparing a Liquidation Analysis to assess the estimated realizable value of the Companies' assets under a liquidation scenario and convening various meetings with the Company and Company's Legal Counsel to discuss same;

g) convening weekly meetings with Management to review and discuss the Companies actual cash flow results to Management's forecasts as well as the Claims Process;

h) responding to creditor and stakeholder enquiries and corresponding with Management in respect of communications with customers;

i) maintaining the Monitor's Website;

j) reviewing the Companies' Fourth Cash Flow Forecast and attending to discussions with Management related to same;

k) reviewing the Companies' application materials in respect of the July 27 Application; and

l) preparing this Third Report.

ACTUAL CASH FLOW RESULTS COMPARED TO FORECAST

The Companies' actual cash receipts and disbursements as compared to the Cash Flow Forecast presented in the First Report during the period of April 12, 2026 to July 11, 2026 (the "**Reporting Period**") for the period of thirteen (13) weeks is summarized below:

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc.
13-Week Cash Flow Forecast Variance April 12, 2026 to July 11, 2026
Unaudited $CAD 000's

	Cumulative Actual(1)	April 12, 2026 to July 11, 2026			
		Actual	Forecast	*Variance*	*Notes*
Receipts					
Sales	$ 5,901	$ 3,572	$ 4,631	$ (1,059)	*a*
Sales Tax Collections	403	243	350	(107)	*b*
U.S. Tariff Refund	247	247	-	247	*c*
Total Receipts	**6,551**	**4,061**	**4,981**	**(920)**	
Disbursements					
Inventory Purchasing	893	603	1,002	(399)	*d*
Marketing	2,001	1,118	1,309	(191)	*e*
Shipping	545	324	475	(151)	*f*
Platform Payments	194	130	182	(52)	*g*
Payroll, Benefits & Payroll Taxes	707	451	528	(77)	*h*
Rent	148	111	111	(0)	
Restructuring Professional Fees (Canada)	469	315	712	(397)	*i*
Restructuring Professional Fees (US)	60	4	45	(41)	*i*
Other G&A	470	229	344	(115)	*j*
Sales Tax Remittance	467	321	370	(49)	*k*
Total Disbursements	**5,953**	**3,605**	**5,078**	**(1,472)**	
Net Cash Flow	**598**	**456**	**(97)**	**553**	
Cash Position					
Opening Cash Balance	1,682	1,824	1,824	-	
Net Cash Flow	598	456	(97)	553	
Ending Cash Balance	**$ 2,280**	**$ 2,280**	**$ 1,728**	**$ 553**	

(1) Actuals for the period from March 1, 2026 to July 11, 2026.

15. Over the Reporting Period, the Companies experienced a positive cash flow variance of $553,000 as a result of various temporary and permanent timing differences, which are described below:

<u>Receipts</u>

a) sales receipts - negative permanent variance of approximately $1.1 million due to lower than expected sales, partially resulting from reduced marketing spend as the Companies optimize its marketing channels;

b) sales tax collections - negative permanent variance of $107,000 attributable to lower than expected sales;

c) U.S. tariff refund - positive permanent variance of $247,000 attributable to a U.S. tariff refund received from the U.S. government;

<u>Disbursements</u>

d) inventory purchasing - positive permanent variance of $399,000 due to reduced inventory purchases in response to lower than anticipated sales;

e) marketing - positive permanent variance of $191,000 due to lower advertising spend, reflecting the decrease in sales;

f) shipping – positive permanent variance of $151,000 due to lower than expected shipping costs as a result of lower than anticipated sales;

g) platform payments - positive permanent variance of $52,000 due to lower than expected platform costs;

h) payroll, benefits and payroll taxes - positive permanent variance of $77,000 due to lower than expected payroll costs;

i) restructuring professional fees (Canada and US) - positive timing variance of $438,000 related to timing of receipt of invoices and payment of same, which are reflected in the Fourth Cash Flow Forecast;

j) other general and administrative costs – positive permanent variance of $115,000 due to lower than expected other general and administrative costs; and

k) sales tax remittance - positive permanent variance of $49,000 due to lower than expected sales tax remittance as a result of lower than anticipated sales.

UPDATED CASH FLOW FORECAST

16. The Companies have prepared an updated weekly cash flow forecast for the thirteen-week period from July 12, 2026 to October 10, 2026 (the "**Forecast Period**") using the probable and hypothetical assumptions set out in the notes to the Fourth Cash Flow Forecast. A copy of the Fourth Cash Flow Forecast, together with a summary of assumptions, are attached hereto as Appendix "**A**".

17. Summarized below is the Fourth Cash Flow Forecast:

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc.
Fourth Cash Flow Forecast
13-Week Cash Flow Forecast ending October 10, 2026
Unaudited $CAD 000's

	13 Week Total
Receipts	
Sales	$ 2,830
Sales Tax Collections	204
U.S. Tariff Refund	346
Total Receipts	**3,380**
Disbursements	
Inventory Purchasing	605
Marketing	879
Shipping	273
Platform Payments	156
Payroll, Benefits & Payroll Taxes	540
Rent	94
Restructuring Professional Fees (Canada)	744
Restructuring Professional Fees (US)	66
Other G&A	314
Sales Tax Remittance	261
Total Disbursements	**3,932**
Net Cash Flow	**(553)**
Cash Position	
Opening Cash Balance	2,280
Net Cash Flow	(553)
Ending Cash Balance	**$ 1,728**

18. Over the Forecast Period, FUM estimates a closing cash balance of approximately $1.7 million. Key notes and assumptions in respect of the forecast receipts and disbursements are as follows:

a) cash receipts totaling $3.4 million primarily consist of sale of FUM's re-usable air devices and flavor core refills, as well as collections of sales tax corresponding to these sales and a U.S. tariff refund;

b) inventory purchasing, marketing, shipping, platform payments, rent, payroll, and other general and administrative expenses were estimated based on historical operating data, with adjustments for current spending patterns in these CCAA Proceedings, and are anticipated to be paid on a weekly basis. Vendor listings have been reviewed by Management and the timing of certain disbursements have been adjusted to reflect anticipated revised payments terms, as required;

c) professional fees include the fees and disbursements of Company's Legal Counsel, the Monitor, the Monitor's Canadian Legal Counsel, Monitor's Conflict Counsel, and the Monitor's US Counsel; and

d) potential post Filing Canadian sales tax remittances.

19. Pursuant to section 23(1)(b) of the CCAA, and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standards of Professional Practice No. 9, the Monitor hereby reports as follows:

a) the Fourth Cash Flow Forecast has been prepared by Management for the purpose described in the notes to the Cash Flow Forecast, using probable and hypothetical assumptions as set out in the notes;

b) the Monitor's review of the Fourth Cash Flow Forecast consisted of inquiries, analytical procedures, and discussion related to information supplied to it by Management. Since hypothetical assumptions need not be supported, the procedures with respect to them were limited to evaluating whether they were consistent with the purposes of the Fourth Cash Flow Forecast. The Monitor also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Fourth Cash Flow Forecast;

c) based on the Monitor's preliminary review of the Fourth Cash Flow Forecast, nothing has come to the Monitor's attention to believe that, in all material respects:

i. the hypothetical assumptions are inconsistent with the purpose of the Fourth Cash Flow Forecast;

ii. as at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the FUM’s plans or do not provide a reasonable basis for the Fourth Cash Flow Forecast, given the hypothetical assumptions;

iii. or the Fourth Cash Flow Forecast does not reflect the probable and hypothetical assumptions; and

d) since the Fourth Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor does not express any assurance as to whether the Fourth Cash Flow Forecast will be accurate. The Monitor does not express any opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Monitor in preparing this Report.

20. The Fourth 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.

UPDATE ON THE PROPOSED PLAN

21. The ARIO granted the Applicants the authority to file a Plan. Since the granting of the ARIO, the Companies, in consultation with the Monitor, have been considering various restructuring options and advancing development of a proposed Plan to restructure the Companies’ operations.

22. The Monitor and the Companies have held various discussions regarding the development of a Plan. Once final determination of the quantum, validity and classification of the proof of claims filed by creditors have been made, the Monitor believes the Companies will be able to finalize a Plan which can then be presented to the creditors for their consideration. Accordingly, an update on the Claims Process is described below.

23. The Monitor understands that the Company anticipates filing a Plan with this Honourable Court on or around late August, following the adjudication of claims in the Claims Process, and the Monitor will provide updates in future reports related to same.

UPDATE ON THE CLAIMS PROCESS[1]

24. Pursuant to the Claims Process Order, the Monitor has undertaken the following activities:

a) on April 26, 2026, the Monitor posted the Claims Package inclusive of the filed Claims Process Order, the Notice to Creditors and Proof of Claims Instructions, the Proof of Claim Form, and the Notice of Dispute Form to the Monitor's Website;

b) on April 29, 2026, the Monitor mailed the Claims Package to each of the Known Creditors; and

c) on April 29, 2026, the Monitor published a notice of the Claims Process in the *Globe and Mail* (national edition) and the *Insolvency Insider*.

Summary of Proof of Claims Received

25. As at the date of this Third Report, the Monitor has received 48 Proofs of Claims by mail or email from creditors, which have either been accepted by the Monitor, or had a Notice of Revision or Disallowance issued in response, or continue to be

[1] Terms not defined in this section have the meaning ascribed to them in the Claims Process Order.

under review by the Monitor, in consultation with the Applicants. The Claims Bar Date pursuant to the Claims Process Order was June 15, 2026

26. 36 Claims totaling $5.8 million have been accepted in the Claims Process and consist of the following:

a) 25 Proofs of Claim totaling $5.8 million have been accepted by the Monitor, in consultation with the Applicants, and include:

i. 24 Unsecured Proofs of Claims totaling $5.2 million; and

ii. one (1) Secured Proof of Claim in the amount of $552,000; and

b) 11 Notices of Revision or Disallowance, representing unsecured claims totaling $83,000, have been issued to claimants. These claimants did not submit a Notice of Dispute to the Monitor nor submit to Court a Creditor Application. Accordingly, these claims have been deemed accepted per the revised amounts in the respective Notices of Revision or Disallowance.

27. In summary, of the 48 claims received to date, 12 Claims totaling $5.3 million remain to be adjudicated in the Claims Process and 36 Claims totaling $5.8 million have been accepted or deemed accepted by the Monitor. The Monitor will provide a further update on the Claims Process in subsequent reports to Court.

PROPOSED KEY EMPLOYEE RETENTION PLAN & CHARGE

28. The Applicants are seeking the Court's approval of the KERP and KERP charge (the "**KERP Charge**") to secure the amounts payable under the KERP in the CCAA Proceedings for key management personnel (the "**KERP Employees**") who are critical to FUM's management of day-to-day operations, restructuring efforts, and Plan development and implementation.

29. In order to retain and incentivize the KERP Employees, the Applicants have developed the KERP under which a payment of up to a maximum aggregate amount

of $100,000 is payable to the KERP Employees upon successful implementation of a Plan.

30. The KERP Charge being sought is an amount not to exceed $100,000 in favor of the KERP Employees as security for all amounts becoming payable under the KERP. The KERP Charge is to rank in priority to all other encumbrances except for the Administration Charge and Director's Charge (as defined in prior reports of the Monitor).

31. Terms of the proposed KERP are attached to the Confidential Supplement appended to the fourth affidavit of Mr. Braeden Pauls, which form part of the materials filed in support of the July 27 Application.

32. Key terms of the proposed KERP include, among other things:

   a) the KERP Employees consist of two participants ("**Eligible Participants**"): Mr. Braeden Pauls (Chief Executive Officer) and Mr. Daniel Odgen (Chief Marketing Officer). Eligible Participants may be added or removed with the approval of the Monitor;

   b) the total payment payable to Eligible Participants is capped at $100,000 (the "**KERP Cap**"), subject to any increase which may be approved by Court;

   c) notwithstanding additional Eligible Participants who may be added to the current number of Eligible Participants, the KERP Cap will not be increased without approval of the Court;

   d) the allocation of retention payments between Eligible Participants can be amended by the Applicants with the approval of the Monitor and any affected Eligible Participants; and

e) payments vest in the Eligible Participants upon successful implementation of a Plan, which shall be confirmed by the filing by the Monitor of certificate confirming implementation of the Plan.

33. The Monitor is of the view that the KERP is reasonable and appropriate in the circumstances for, among other things, the following reasons:

a) it will provide stability to the business and continuity of leadership and knowledge during the pendency of the CCAA Proceedings by incentivizing the KERP Employees to remain with FUM through the CCAA restructuring process;

b) given the specialized nature of FUM's business and the extensive operational knowledge held by the KERP Employees, the Monitor agrees that they are considered to be integral to the success of the Plan and maximizing value to the stakeholders;

c) identifying replacement management with the requisite sector experience and knowledge of the underlying business is not practical in the short term;

d) the KERP Employees are essential in the development, implementation and completion of the Plan;

e) the KERP Employees are taking on increased risk in their roles, including as a result of the enforcement of personal guarantees by certain counterparties to financing agreements;

f) the Monitor has reviewed the KERP Employees list and is satisfied that the list is appropriate and includes only those critical to advancing the Plan and the CCAA Proceedings; and

g) the Monitor considers the quantum and extent of the KERP are reasonable in the circumstances.

APPROVAL OF PROFESSIONAL FEES AND EXPENSES

34. The Monitor, along with the Monitor's Canadian Counsel, the Monitor's US Counsel and the Monitor's Conflict Counsel have rendered their invoices for their respective fees and disbursements for services in connection with these CCAA Proceedings through to July 4, 2026 (the "**Invoices**"). This Honourable Court previously approved the fees and disbursements of the Monitor, the Monitor's Canadian Counsel and the Monitor's Conflict Counsel as outlined in the Second Report.

35. The Applicants seek from this Honourable Court approval of the professional fees and disbursements of (i) the Monitor for the period from March 29 to July 4, 2026 (the "**Monitor's Taxation Period**"), (ii) Osler for the period from April 1 to June 30, 2026 ("**Osler's Taxation Period**"), (iii) NRF for the period from April 10 to June 30, 2026 ("**NRF's Taxation Period**"), and (iv) Munsch Hardt for the period from March 17, 2026 to May 31, 2026 ("**Munsch Hardt's Taxation Period**").

36. The fees and disbursements of the Monitor during the Monitor's Taxation Period total $162,250 (exclusive of GST), a summary of which is presented below:

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc. Summary of the Monitor's Statement of Accounts March 29, 2026 to July 4, 2026						
Alvarez & Marsal Canada Inc.						
Inv. No.	**Period**	**Fees**	**Disbursements**	**Sub-Total**	**GST**	**Total**
CCAA Invoice #2	March 29, 2026 - May 2, 2026	$ 64,793	$ 6,180	$ 70,972	$3,549	$ 74,521
CCAA Invoice #3	May 3, 2026 - May 30, 2026	29,204	1,610	30,814	1,541	32,354
CCAA Invoice #4	May 31, 2026 - July 4, 2026	60,290	175	60,465	3,023	63,488
	Total	**$154,286**	**$ 7,964**	**$162,250**	**$8,113**	**$170,363**

37. The fees and disbursements of Osler during Osler's Taxation Period total $41,581 (exclusive of GST), a summary of which is presented below:

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc. Summary of the Monitor's Counsel's Statement of Accounts April 1, 2026 to June 30, 2026						
Osler, Hoskin & Harcourt LLP						
Inv. No.	**Period**	**Fees**	**Disbursements**	**Sub-Total**	**GST**	**Total**
13166810	April 1, 2026 - April 30, 2026	$ 23,865	$ 40	$ 23,905	$ 1,193	$ 25,098
13177418	May 1, 2026 - May 31, 2026	7,482	3	7,485	374	7,859
13188893	June 1, 2026 - June 30, 2026	10,191	-	10,191	510	10,701
	Total	**$ 41,538**	**$ 43**	**$ 41,581**	**$ 2,077**	**$ 43,658**

38. The fees and disbursements of NRF during NRF's Taxation Period total $16,595 (exclusive of GST), a summary of which is presented below:

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc. Summary of the Monitor's Conflict Counsel's Statement of Accounts April 10, 2026 to June 30, 2026						
Norton Rose Fulbright Canada LLP						
Inv. No.	**Period**	**Fees**	**Disbursements**	**Sub-Total**	**GST**	**Total**
9090870631	April 10, 2026 - April 30, 2026	$ 6,035	$ 190	$ 6,225	$ 311	$ 6,536
9090881526	May 1, 2026 - May 31, 2026	4,660	25	4,685	234	4,919
9090885564	June 1, 2026 - June 30, 2026	5,660	25	5,685	284	5,969
	Total	**$ 16,355**	**$ 240**	**$ 16,595**	**$ 830**	**$ 17,424**

39. The fees and disbursements of Munsch Hardt during Munsch Hardt's Taxation Period Taxation Period total USD $15,662 (exclusive of GST), a summary of which is presented below:

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc. Summary of the Monitor's US Counsel's Statement of Accounts March 17, 2026 to May 31, 2026				
Munsch Hardt Kopf & Harr, P.C.				
Inv. No.	**Period**	**Fees**	**Disbursements**	**Total**
10593405	March 17, 2026 - May 31, 2026	$ 15,662	$ -	$ 15,662
	Total	**$ 15,662**	**$ -**	**$ 15,662**

40. The Invoices of the Monitor, the Monitor's Canadian Counsel, the Monitor's US Counsel and the Monitor's Conflict Counsel outline the date of the work completed, the description of the work, the length of time taken to complete the work and the name and role of the individual who completed the work. If required, copies of the Invoices can be made available to the Court upon request.

41. The Monitor respectfully submits that its professional fees and disbursements and those of the Monitor's Canadian Counsel, the Monitor's US Counsel and Monitor's Conflict Counsel are fair and reasonable in the circumstances, given the unique circumstances of the Applicants and the cross-border considerations and related complexities resulting in the work performed by the Monitor and the aforementioned legal counsel in connection with these CCAA Proceedings.

EXTENSION OF THE STAY OF PROCEEDINGS

42. The Stay Period and the Guarantor Stay Period will expire on July 31, 2026. The Applicants are seeking an extension of the Stay Period and the Guarantor Stay Period to October 2, 2026.

43. The Monitor supports the Stay Extension for the following reasons:

    a) it will afford the Guarantor Stay Parties protection from enforcement of personal guarantees by certain counterparties to financing agreements, which is particularly important given that the Guarantor Stay Parties serve as directors and/or officers of the Companies whose continued involvement is critical to operational stability and successful execution of the Plan;

    b) it will afford the Companies and the Monitor sufficient time to:

        i. finalize the review and adjudication of Claims under the Claims Process and understand the results and implications of the final determination of the classification and quantum of Claims to inform the development of the Plan; and

        ii. allow the Applicants, in consultation with the Monitor, to develop and file the Plan to restructure FUM's operations for the benefit of its senior creditors and all stakeholders;

c) the Companies are forecast to have sufficient liquidity to continue operating in the ordinary course of business during the requested extension of the Stay Period and Guarantor Stay Period;

d) no creditor of the Companies will be materially prejudiced by the extension of the Stay Period and Guarantor Stay Period; and

e) in the Monitor's opinion, the Companies have acted in good faith and with due diligence in these CCAA Proceedings since the date of the Initial Order.

CONCLUSIONS AND RECOMMENDATIONS

44. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court approve the following:

a) the activities, actions and conduct of the Monitor;

b) the statements of account of the Monitor, the Monitor's Canadian Counsel, the Monitor's US Counsel and the Monitor's Conflict Counsel;

c) the KERP and KERP Charge; and

d) the Stay Extension.

All of which is respectfully submitted this 21th day of July, 2026

ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of the Companies
and not in its personal or corporate capacity

Orest Konowalchuk, CPA, CA, CIRP, LIT Senior Vice President	David Williams, CPA, CA, CIRP, LIT Vice President

APPENDIX A

RDFN FUM Natural Products Ltd. and RDFN FUM Natual Products Inc.
13-Week Cash Flow Forecast ending October 10, 2026
Unaudited $CAD 000's

	Notes	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	13 Week
	week ended	18-Jul	25-Jul	1-Aug	8-Aug	15-Aug	22-Aug	29-Aug	5-Sep	12-Sep	19-Sep	26-Sep	3-Oct	10-Oct	Total
Receipts															
Sales	1	$ 224	$ 224	$ 224	$ 224	$ 224	$ 224	$ 224	$ 224	$ 215	$ 215	$ 215	$ 215	$ 178	$ 2,830
Sales Tax Collections		16	16	16	16	16	16	16	16	16	16	16	16	12	204
U.S. Tariff Refund	2	346	-	-	-	-	-	-	-	-	-	-	-	-	346
Total Receipts		**586**	**240**	**240**	**240**	**240**	**240**	**240**	**240**	**231**	**231**	**231**	**231**	**190**	**3,380**
Disbursements															
Inventory Purchasing	3	23	23	23	183	23	23	23	22	182	22	22	18	18	605
Marketing	4	25	25	25	210	25	25	25	234	23	23	23	23	193	879
Shipping	5	22	22	22	22	22	22	22	22	20	20	20	20	17	273
Platform Payments	6	12	12	12	12	12	12	12	12	12	12	12	12	12	156
Payroll, Benefits & Payroll Taxes	7	48	82	-	82	-	82	-	-	82	-	82	-	82	540
Rent	8	-	37	-	-	-	-	37	-	-	-	20	-	-	94
Restructuring Professional Fees (Canada)	9	129	-	-	-	170	-	-	-	235	-	-	-	210	744
Restructuring Professional Fees (US)	9	21	-	-	-	15	-	-	-	15	-	-	-	15	66
Other G&A	10	17	17	17	48	17	17	17	48	17	17	17	17	48	314
Sales Tax Remittance	11	20	6	103	-	-	66	-	-	-	66	-	-	-	261
Total Disbursements		**317**	**224**	**202**	**557**	**284**	**247**	**136**	**338**	**586**	**160**	**196**	**90**	**595**	**3,932**
Net Cash Flow		**269**	**16**	**38**	**(317)**	**(44)**	**(7)**	**104**	**(98)**	**(355)**	**71**	**35**	**141**	**(405)**	**(553)**
Cash Position															
Opening Cash Balance		2,280	2,549	2,565	2,603	2,286	2,242	2,235	2,339	2,241	1,886	1,957	1,992	2,133	2,280
Net Cash Flow		269	16	38	(317)	(44)	(7)	104	(98)	(355)	71	35	141	(405)	(553)
Ending Cash Balance		**$ 2,549**	**$ 2,565**	**$ 2,603**	**$ 2,286**	**$ 2,242**	**$ 2,235**	**$ 2,339**	**$ 2,241**	**$ 1,886**	**$ 1,957**	**$ 1,992**	**$ 2,133**	**$ 1,728**	**$ 1,728**

This unaudited statement of projected cash flow was prepared by management in accordance with Section 50.4(2) of the *Bankruptcy and Insolvency Act* using probable and hypothetical assumptions set out in Notes 1-11 and should be read in conjunction with (i) the attached Notes; (ii) the accompanying Report on Cash Flow Statement by RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc.; and (iii) the Proposal Trustee's Report on the Cash-Flow Statement.

Dated as at July 21, 2026

RDFN FUM Natural Products Ltd. and
RDFN FUM Natural Products Inc.

Braeden Pauls

Mr. Braeden Pauls, Chief Executive Officer

Alvarez & Marsal Canada Inc., in its capacity
as Proposal Trustee of RDFN FUM Natural Products Ltd. and
RDFN FUM Natual Products Inc.

Orest Konowalchuk, CPA, CA , CIRP, LIT
Senior Vice President

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc.
13-Week Cash Flow Forecast
Notes and Summary of Assumptions

Disclaimer

*RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc. (together, "**FUM**" or the "**Companies**") prepared this consolidated Cash Flow Forecast and the accompanying Notes and Summary of Assumptions (collectively the "**Forecast**") in support of their comeback application under the Companies' Creditors Arrangement Act ("**CCAA**").*

*In preparing this Forecast, the Companies relied upon unaudited financial information and have not attempted to further verify the accuracy or completeness of such information. The Forecast includes assumptions described below with respect to the requirements and impact of a filing under the CCAA. Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the period July 12, 2026 to October 10, 2026 (the "**Cash Flow Period**") will vary from the 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 Forecast is prepared in Canadian dollars.

Hypothetical and Probable Assumptions of the Cash Flow Forecast

1. Sales (presented net of sales tax) are highly correlated with the Companies' level of marketing and is based on historical revenues and the Companies' anticipated ongoing sales volumes of its wellness products. Approximately 80% of sales are generated in the United States with the balance of sales generated in Canada, the United Kingdom, Australia and elsewhere.

2. U.S tariff refund is the remaining expected refund from the United States Government, net of an estimated clawback reserve. The Government will remit refund payment but retains the right to audit the refund and reclaim funds from the Companies' account if the audit identifies overpayment. The account for this clawback risk, a reserve of 20% of the tariff refund amount is included in the projected cash inflow.

3. Inventory purchases are based on expected cost of current purchase orders paid on various payments terms to maintain appropriate stock of saleable goods. The larger payments in Week 4 and Week 9 reflect purchase orders that are due relating to a significant restocking of the Company's primary wellness products.

4. Marketing costs are based on historical marketing performance and the anticipated necessary marketing spend to generate the sales values represented in Note 1. This value has been determined to be the optimal amount of marketing spend for maximum profitability.

5. Shipping is the estimated cost to ship products from the warehouse to customers for sold orders and is based on historical costs representing approximately 10% to 15% of sales.

6. Platform payments are the costs of online sales platforms (e.g. Shopify), platform subscriptions and software necessary for operations.

7. Payroll, benefits and payroll taxes includes salaries, wages, source deductions and employee medical benefits for 17 employees consisting of eleven (11) in Canada, five (5) in the United States and one (1) in the United Kingdom. Payroll is paid on a semi-monthly basis. The Companies are transiting to a third-party payroll provider in the United States. The Week 1 payment reflects the upfront deposit required in connection with the Companies' transition to a third-party payroll provider in the United States. The deposit is estimated to equal approximately one and a half payroll periods for the Companies' United States employees.

8. Rent includes monthly disbursements for the Companies’ sole warehouse and shipping location located in Las Vegas, Nevada and an office in Calgary, Alberta.

9. Restructuring professional fees include the estimated fees and disbursements of the Companies’ Canadian and United States legal counsels as well as the Monitor and its legal counsels.

10. Other general and administrative costs include costs for, among other things, accounting support and bookkeeping, insurance, supplies and utilities.

11. Sales tax remittances include estimates of the remittance of sales tax for products sold.