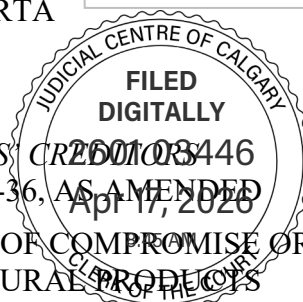


COURT FILE NUMBER 2601-03446

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS IN THE MATTER OF THE COMPANIES CR260103446
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 **SECOND REPORT OF ALVAREZ & MARSAL CANADA INC. IN ITS CAPACITY AS MONITOR**

April 17, 2026

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

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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 Code* (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 15, 2026, the Applicants filed a notice of application with the Court, returnable on April 23, 2026 (the “**April 23 Application**”), seeking, among other things, the following relief:
 - a) an order (the “**Stay Extension and Guarantor Stay Order**”) granting:
 - i. an extension of the Stay Period to July 31, 2026 (the “**Stay Extension**”);
 - ii. a stay (the “**Guarantor Stay**”) of any claims against any of the former, current, or future directors, officers, or employees of the Applicants (collectively, the “**Guarantor Stay Parties**”) with respect to any claim that arose prior to the Filing Date, which relates to any obligations of the Guarantor Stay Parties under or in connection with any guarantee, indemnity, suretyship, or other claim, contract, or agreement, by which any Guarantor Stay Party may be asserted or alleged to be liable for any obligations, liabilities, or indebtedness, of any Applicant(s);

- iii. approval of the actions, activities and conduct of the Monitor, as set out in this second report of the Monitor (this “**Report**” or the “**Second Report**”) and prior reports of the Monitor and the Proposal Trustee;
 - iv. approval of the accounts of the Monitor and the Monitor’s legal counsels’ respective fees and disbursements; and
 - b) 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**”), and authorizing the Monitor and the Applicants to implement and carry out the Claims Process.
8. 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

9. This Second Report is intended to provide this Honourable Court with information in respect of the following:
- a) the activities of the Monitor since the first report of the Monitor dated March 10, 2026 (the “**First Report**”);
 - b) the Companies’ actual receipts and disbursements as compared to the cash flow statement presented in the First Report;
 - c) the Companies’ revised cash flow forecast during the period from April 12, 2026 to August 1, 2026 (the “**Third Cash Flow Forecast**”);
 - d) an overview of the proposed Claims Process;
 - e) a summary of the professional fees and disbursements of the Monitor

and the Monitor's legal counsels;

- f) the Guarantor Stay;
- g) the Stay Extension; and
- h) the Monitor's conclusions and recommendations in respect of the above.

TERMS OF REFERENCE

10. 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.

11. 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.
12. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

ACTIVITIES OF THE MONITOR

13. Since the date of the First Report, the Monitor's activities have included the following:
 - a) conducting numerous discussions and meetings with Management, the Monitor's legal counsel, Osler, Hoskin & Harcourt LLP ("**Osler**" or the "**Monitor's Counsel**"), and the Companies' legal counsel relating to matters relevant to the CCAA Proceedings and the Companies' operations, business and financial affairs, generally;
 - b) convening meetings and engaging in communications with Management and its legal counsel with respect to the Claims Process and assessment of various restructuring options, including a potential plan or plans of compromise and/or arrangement (the "**Plan**") that may be presented to the Companies creditors and stakeholders;
 - c) retaining independent legal counsel, Norton Rose Fulbright Canada LLP ("**NRF**" or the "**Monitor's Conflicts Counsel**", and together with Osler, the "**Monitor's Counsels**"), to review certain of the Companies' creditors' security as against the assets of the Applicants, and holding meetings with the Monitor's Counsels in respect of same;
 - d) engaging and holding discussions with independent US legal counsel and the Monitor's Counsel concerning certain creditor claims that are governed by US law;

- e) convening weekly meetings with Management to review and discuss the Companies actual cash flow results to Management's forecasts;
- f) responding to creditor and stakeholder enquiries and corresponding with Management in respect of communications with customers;
- g) maintaining the Monitor's Website;
- h) reviewing the Companies' Third Cash Flow Forecast and attending to discussions with Management related to same;
- i) reviewing the Companies' application materials in respect of the April 23 Application; and
- j) preparing this Second Report.

ACTUAL CASH FLOW RESULTS COMPARED TO FORECAST

14. The Companies' actual cash receipts and disbursements as compared to the Cash Flow Forecast presented in the First Report during the period of March 1, 2026 to April 11, 2026 (the "**Reporting Period**") for the period of six (6) weeks is summarized below:

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc.				
6-Week Cash Flow Forecast Variance March 1, 2026 to April 11, 2026				
<i>Unaudited \$CAD 000's</i>	<i>Actual</i>	<i>Forecast</i>	<i>Variance</i>	<i>Notes</i>
Receipts				
Sales	\$ 2,329	\$ 2,597	\$ (268)	<i>a</i>
Sales Tax Collections	160	241	(81)	<i>b</i>
Total Receipts	2,490	2,838	(348)	
Disbursements				
Inventory Purchasing	291	824	(533)	<i>c</i>
Marketing	883	975	(92)	<i>d</i>
Shipping	221	316	(95)	<i>e</i>
Platform Payments	64	96	(32)	<i>f</i>
Payroll, Benefits & Payroll Taxes	256	300	(44)	<i>g</i>
Rent	37	36	1	
Restructuring Professional Fees (Canada)	154	480	(326)	<i>h</i>
Restructuring Professional Fees (US)	56	54	2	<i>h</i>
Other G&A	241	158	83	<i>i</i>
Sales Tax Remittance	145	133	12	
Total Disbursements	2,348	3,372	(1,024)	
Net Cash Flow	142	(534)	676	
Cash Position				
Opening Cash Balance	1,682	1,682	0	
Net Cash Flow	142	(534)	676	
Ending Cash Balance	\$ 1,824	\$ 1,148	\$ 676	

15. Over the Reporting Period, the Companies experienced a positive cash flow variance of \$676,000 as a result of various temporary and permanent timing differences, which are described below:

Receipts

- a) sales receipts - negative permanent variance of \$268,000 due to lower than expected sales resulting from reduced marketing spend as the Company optimizes its marketing channels;
- b) sales tax collections - negative permanent variance of \$81,000 attributable to lower than expected sales and a shift in sales mix toward the U.S., where average state sales tax rates are lower than those in Europe, the UK and Canada;

Disbursements

- c) inventory purchasing - positive timing variance of \$553,000 related to deferral of payment on a significant purchase order with net 30-day payment terms;
- d) marketing - positive permanent variance of \$92,000 due to decreased spending on advertising;
- e) shipping – positive permanent variance of \$95,000 due to lower than expected shipping costs;
- f) platform payments - positive permanent variance of \$32,000 due to lower than expected platform costs;
- g) payroll, benefits and payroll taxes - positive permanent variance of \$44,000 due to lower than expected payroll costs;
- h) restructuring professional fees (Canada and US) - positive timing variance of \$324, 000 related to timing of receipt of invoices and payment of same; and
- i) other general and administrative costs - negative permanent variance of \$83,000 due to higher than expected retail commission payouts and other legal costs unrelated to restructuring activities. The Companies advise no further legal costs are expected.

UPDATED CASH FLOW FORECAST

16. The Companies have prepared an updated weekly cash flow forecast for the sixteen-week period from April 12, 2026 to August 1, 2026 (the “**Forecast Period**”) using the probable and hypothetical assumptions set out in the notes to the Third Cash Flow Forecast. A copy of the Third Cash Flow Forecast, together with a summary of assumptions, are attached hereto as Appendix “A”.

17. Summarized below is the Third Cash Flow Forecast:

RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc.	
Third Cash Flow Forecast	
16-Week Cash Flow Forecast ending August 1, 2026	
<i>Unaudited \$CAD 000's</i>	
	16 Week Total
Receipts	
Sales	\$ 5,819
Sales Tax Collections	440
Total Receipts	6,259
Disbursements	
Inventory Purchasing	1,116
Marketing	1,396
Shipping	595
Platform Payments	224
Payroll, Benefits & Payroll Taxes	616
Rent	148
Restructuring Professional Fees (Canada)	879
Restructuring Professional Fees (US)	60
Other G&A	395
Sales Tax Remittance	442
Total Disbursements	5,871
Net Cash Flow	388
Cash Position	
Opening Cash Balance	1,824
Net Cash Flow	388
Ending Cash Balance	\$ 2,212

18. Over the Forecast Period, FUM estimates a closing cash balance of \$2.2 million. Key notes and assumptions in respect of the forecast receipts and disbursements are as follows:

- a) cash receipts totaling \$6.3 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;
- 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 the Monitor, the Monitor's Counsels, and U.S. and Canadian legal counsel to the Companies; and
- d) potential pre and 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 Third 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 Third 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 Third Cash Flow Forecast. The Monitor also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Third Cash Flow Forecast;
- c) based on the Monitor's preliminary review of the Third 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 Third 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 Third Cash Flow Forecast, given the hypothetical assumptions;
 - iii. or the Third Cash Flow Forecast does not reflect the probable and hypothetical assumptions; and
- d) since the Third 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 Third 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 Third 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.

PROPOSED CLAIMS PROCESS

21. Capitalized terms used but not defined in this section of the Second Report have the meaning ascribed to them in the proposed Claims Process Order.
22. The Applicants are seeking a Claims Process Order to approve the proposed Claims Process to establish and prove the quantum and classification of claims of creditors as at the Filing Date (the "**Claims**"), which will be considered in respect of potential restructuring options.
23. Key steps and timelines described in the proposed Claims Process Order are summarized in the table below:

Action	Deadline
1. Monitor's Website	
Post on the Monitor's Website a copy of the “ Claims Package ” inclusive of: (a) the Claims Process Order; (b) the Notice to Creditors; (c) an Instruction Letter; (d) a blank Proof of Claim form; and (e) a blank Notice of Dispute form.	On or prior to April 27, 2026.
2. Notice of Claims	
Claims Package sent to each Known Creditor as evidenced by the books and records of the Applicants as of the Filing Date.	On or prior to April 30, 2026,
3. Newspaper Notice	
Publication of a Notice of Claims Process for one (1) business day in the <i>Globe and Mail</i> (national edition) and the <i>Insolvency Insider</i> .	On or prior to April 30, 2026.
4. Claims Bar Date	
Claims Bar Date for any person to file a Proof of Claim to assert a Claim against the Applicants.	June 15, 2026 at 5:00 p.m. MST.
5. Adjudication of Claims	
5A. Monitor shall review any Proofs of Claim received on or before the Claims Bar Date, and if applicable, issue a Notice of Revision or Disallowance.	Following receipt of any Proofs of Claims.
5B. If a Claimant wishes to dispute the Notice of Revision or Disallowance it must: (a) issue a Notice of Dispute; and (b) file a Creditor Application and affidavit	(a) No later than seven (7) calendar days after the Notice of Revision or Disallowance was delivered; and (b) No later than fourteen (14) calendar days after the Notice of Dispute was delivered.

Notice of Claims Process

24. On or prior to April 30, 2026, the Monitor shall cause a copy of the Claims Package to be sent to each creditor who is shown as having a claim against the Applicants as at the Filing Date pursuant to the books and records of the Applicants.

25. The Monitor shall cause a newspaper notice to be published in the *Globe and Mail* (national edition) and the *Insolvency Insider* on or prior to April 30, 2026.
26. The Monitor shall cause the Claims Package to be posted on the Monitor's Website on or prior to April 27, 2026, and shall send a copy of the Claims Package to any person requesting such material as soon as practicable following such request.

Filing of Proofs of Claims

27. Any Person who has a Claim against an Applicant, as of the Filing Date, and wishes to assert such Claim against the Applicants, shall send a completed Proof of Claim to the Monitor, setting out the classification and quantum of its Claim together with supporting documentation, on or before June 15, 2026 (the “**Claims Bar Date**”).
28. Any Person who fails to submit a completed Proof of Claim to the Monitor prior to the Claims Bar Date shall be forever barred, enjoined and estopped from asserting such Claim against the Applicants.

Resolution of Claims

29. The Monitor, in consultation with the Applicants, shall review any Proof of Claim that is submitted to it on or before the Claims Bar Date and may accept, revise or disallow the Proof of Claim.
30. In the event that the Monitor elects to revise or disallow the Proof of Claim, the Monitor shall send a Notice of Revision or Disallowance (a “**NORD**”) to the Creditor as soon as reasonably practicable
31. Any Person who wishes to dispute the NORD received from the Monitor shall (i) by no later than seven (7) calendar days following the date the NORD was delivered, deliver a Notice of Dispute (“**NOD**”) to the Monitor setting out the particulars of the dispute, and (ii) within fourteen (14) calendar days following delivery of the NOD, file an application (a “**Creditor Application**”) with the Court supported by an affidavit setting out the basis for the dispute. A copy of the Creditor Application must also be sent to the Monitor immediately upon filing.

Monitor's Comments

32. The Monitor is of the view that the proposed Claims Process provides a practical and timely methodology for the Monitor, in consultation with the Applicants, to establish the quantum and classification of claims, which will be necessary to consider the viability of any potential Plan(s) that may be presented to creditors.
33. It is the Monitor's understanding that the Companies will continue to assess and advance development of any potential Plan(s) or other restructuring options in parallel to the Claims Process, subject to approval of this Court. Accordingly, the Monitor does not view that this will prejudice creditors or other stakeholders, but rather will be beneficial to advancing any Plan(s) in a more expedient manner.

APPROVAL OF PROFESSIONAL FEES AND EXPENSES

34. The Monitor and the Monitor's Counsels have rendered their invoices for their respective fees and disbursements for services in connection with the Proposal Proceedings and CCAA Proceedings through to April 10, 2026 (the "**Invoices**").
35. The Applicants seek from this Honourable Court approval of the professional fees and disbursements of (i) the Monitor for the period from February 2 to March 28, 2026 (the "**Monitor's Taxation Period**"), (ii) Osler for the period from February 9 to March 31, 2026 ("**Osler's Taxation Period**"), and (iii) NRF for the period from March 23 to April 10, 2026 ("**NRF's Taxation Period**").
36. The fees and disbursements of the Monitor during the Monitor's Taxation Period total \$129,202 (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						
February 2, 2026 to March 28, 2026						
Alvarez & Marsal Canada Inc.						
Inv. No.	Period	Fees	Disbursements	Sub-Total	GST	Total
NOI Invoice #1	February 2, 2026 - February 28, 2026	\$ 75,901	\$ 809	\$ 76,710	\$ 3,835	\$ 80,545
CCAA Invoice #1	March 1, 2026 - March 28, 2026	43,068	9,425	52,493	2,625	55,117
	Total	\$118,969	\$ 10,234	\$ 129,202	\$ 6,460	\$135,663

37. The fees and disbursements of Osler during Osler’s Taxation Period total \$43,771 (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 February 9, 2026 to March 31, 2026							
Osler, Hoskin & Harcourt LLP							
Inv. No.	Period	Fees	Disbursements	Sub-Total	GST	Total	
13144311	February 9, 2026 - February 27, 2026	\$ 17,028	\$ -	\$ 17,028	\$ 851	\$ 17,879	
13155575	March 2, 2026 - March 31, 2026	26,703	40	26,743	1,335	28,078	
Total		\$ 43,731	\$ 40	\$ 43,771	\$ 2,187	\$ 45,958	

38. The fees and disbursements of NRF during NRF’s Taxation Period total \$31,315 (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 March 23, 2026 to April 10, 2026							
Norton Rose Fulbright Canada LLP							
Inv. No.	Period	Fees	Disbursements	Sub-Total	GST	Total	
9090858003	March 23, 2026 - April 10, 2026	\$ 31,290	\$ 25	\$ 31,315	\$ 1,566	\$ 32,881	
Total		\$ 31,290	\$ 25	\$ 31,315	\$ 1,566	\$ 32,881	

39. The Invoices of the Monitor and each of the Monitor’s Counsels 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.
40. The Monitor respectfully submits that its professional fees and disbursements and those of the Monitor's Counsels 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 Monitor's Counsels in connection with these CCAA Proceedings.

GUARANTOR STAY

41. It is the Monitor’s understanding that certain of the Companies current or former directors, officers and/or employees have provided personal guarantees in respect of certain indebtedness of the Companies (the “**Personal Guarantors**”).
42. Certain counterparties to financing agreements with the Companies have communicated to Management their intention to take enforcement actions against the Personal Guarantors to enforce the personal guarantees. Accordingly, the Applicants are seeking the Guarantor Stay during the Stay Period such that no proceeding shall be commenced or continued against or in respect of any of the former, current, or future directors, officers, or employees of the Applicants with respect to any claim that arose before February 4, 2026.
43. The Monitor is of the view that the Guarantor Stay is reasonable in the circumstances to afford protections to the Personal Guarantors, some of whom are directors and/or officers of the Companies and are critical to operations and maintaining stability of the Companies as they restructure their financial affairs. Any diversion of the Personal Guarantors’ attention away from the Companies’ business and these proceedings may negatively impact the development and advancement of restructuring options and protract or negatively impact the CCAA Proceedings.

EXTENSION OF THE STAY OF PROCEEDINGS

44. Pursuant to the ARIO, the Stay Period will expire on May 26, 2026. The Applicants are seeking an extension of the Stay Period to July 31, 2026.
45. The Monitor supports the Stay Extension for the following reasons:
 - a) it will afford the Companies and the Monitor sufficient time to:
 - i. develop a restructuring plan; and

- ii. complete the Claims Process to understand the quantum and classification of Claims and the implications of same in respect of a restructuring plan;
- b) 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;
- c) no creditor of the Companies will be materially prejudiced by the extension of the Stay Period; and
- d) 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

46. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court approve the Claims Process Order and the Stay Extension and Guarantor Stay Order.

All of which is respectfully submitted this 17th day of April, 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

APPENDIX A

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

Third Cash Flow Forecast

16-Week Cash Flow Forecast ending August 1, 2026

Unaudited \$CAD 000's

	Week 1 18-Apr	Week 2 25-Apr	Week 3 2-May	Week 4 9-May	Week 5 16-May	Week 6 23-May	Week 7 30-May	Week 8 6-Jun	Week 9 13-Jun	Week 10 20-Jun	Week 11 27-Jun	Week 12 4-Jul	Week 13 11-Jul	Week 14 18-Jul	Week 15 25-Jul	Week 16 1-Aug	16 Week Total
Receipts																	
Sales	\$ 327	\$ 327	\$ 327	\$ 366	\$ 366	\$ 366	\$ 366	\$ 366	\$ 356	\$ 356	\$ 356	\$ 356	\$ 396	\$ 396	\$ 396	\$ 396	\$ 5,819
Sales Tax Collections	24	24	24	28	28	28	28	28	27	27	27	27	30	30	30	30	440
Total Receipts	351	351	351	394	394	394	394	394	383	383	383	383	426	426	426	426	6,259
Disbursements																	
Inventory Purchasing	31	31	35	588	35	35	35	34	34	34	34	38	38	38	38	38	1,116
Marketing	30	30	343	27	27	27	27	338	26	26	26	353	29	29	29	29	1,396
Shipping	37	37	33	37	37	37	37	36	36	36	36	36	40	40	40	40	595
Platform Payments	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	224
Payroll, Benefits & Payroll Taxes	-	88	-	88	-	88	-	88	-	88	-	88	-	88	-	-	616
Rent	-	37	-	-	-	-	37	-	-	-	37	-	-	-	37	-	148
Restructuring Professional Fees (Canada)	116	-	-	190	-	-	-	215	-	-	-	190	-	-	-	168	879
Restructuring Professional Fees (US)	-	-	-	15	-	-	-	15	-	-	-	15	-	-	-	15	60
Other G&A	17	17	17	58	17	17	17	17	58	17	17	17	58	17	17	17	395
Sales Tax Remittance	62	79	-	30	30	33	-	30	30	46	-	-	30	30	42	-	442
Total Disbursements	307	333	442	1,047	160	251	167	787	198	261	164	751	209	256	217	321	5,871
Net Cash Flow	44	18	(91)	(653)	234	143	227	(393)	185	122	219	(368)	217	170	209	105	388
Cash Position																	
Opening Cash Balance	1,824	1,868	1,886	1,795	1,142	1,376	1,519	1,746	1,353	1,538	1,660	1,879	1,511	1,728	1,898	2,107	1,824
Net Cash Flow	44	18	(91)	(653)	234	143	227	(393)	185	122	219	(368)	217	170	209	105	388
Ending Cash Balance	\$ 1,868	\$ 1,886	\$ 1,795	\$ 1,142	\$ 1,376	\$ 1,519	\$ 1,746	\$ 1,353	\$ 1,538	\$ 1,660	\$ 1,879	\$ 1,511	\$ 1,728	\$ 1,898	\$ 2,107	\$ 2,212	\$ 2,212

UNAUDITED CASH FLOW PREPARED BY MANAGEMENT, MUST BE READ IN CONJUNCTION WITH THE NOTES AND ASSUMPTIONS

Dated as at April 17, 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 Natural Products Inc.


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

**RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc.
16-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 April 12, 2026 to August 1, 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. 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 payment in Week 3 reflects a purchase order that is due relating to a significant restocking of the Company’s primary wellness products.
3. 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.
4. 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.
5. Platform payments are the costs of online sales platforms (e.g. Shopify), platform subscriptions and software necessary for operations.
6. Payroll, benefits and payroll taxes includes salaries, wages, source deductions and employee medical benefits for 18 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.
7. Rent includes monthly disbursements for the Companies’ sole warehouse and shipping location located in Las Vegas, Nevada and an office in Calgary, Alberta.

8. 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.
9. Other general and administrative costs include costs for, among other things, accounting support and bookkeeping, insurance, supplies and utilities.
10. Sales tax remittances include estimates of the remittance of sales tax for products sold.