

**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 JORIKI TOPCO INC. AND JORIKI INC.**

**THIRD REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

JUNE 23, 2025

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1.0 INTRODUCTION

- 1.1 On January 28, 2025 (the “**Filing Date**”), Joriki TopCo Inc. (“**Joriki TopCo**”) and Joriki Inc. (“**Joriki Canada**”, and together, the “**Applicants**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”, and the proceedings, the “**CCAA Proceedings**”) pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as monitor of the Applicants (in such capacity, the “**Monitor**”) in these CCAA Proceedings. Joriki USA Inc. (“**Joriki USA**”, and together with the Applicants, “**Joriki**” or the “**Company**”), is the Company’s US operating subsidiary, but is not an applicant in these CCAA Proceedings. On January 12, 2025, Joriki USA filed a petition under Chapter 7 of the United States Bankruptcy Code before the United States Bankruptcy Court for the District of Delaware (the “**Chapter 7 Case**”).
- 1.3 Prior to the commencement of these CCAA Proceedings, on December 31, 2024, Joriki Canada filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3 (the “**BIA**”, and the proceedings, the “**NOI Proceeding**”) and A&M was appointed as Proposal Trustee (in such capacity, the “**Proposal Trustee**”).
- 1.4 The Monitor previously filed the Second Report of the Monitor dated March 24, 2025 (the “**Second Report**”), which is attached hereto as **Appendix “A”** (without appendices), and the First Report of the Monitor dated February 25, 2025 (the “**First Report**”). A&M also

filed a First Report of the Proposal Trustee and Pre-Filing Report of the Proposed Monitor dated January 26, 2025 (the “**Pre-Filing Report**”, and together with the Second Report and the First Report, the “**Prior Reports**”). The Prior Reports and other Court-filed documents and notices in these CCAA Proceedings and NOI Proceeding are available on the Monitor’s case website at: www.alvarezandmarsal.com/joriki (the “**Case Website**”).

1.5 Pursuant to the Initial Order:

- (a) the NOI Proceeding was taken up and continued under the CCAA, and the provisions of Part III of the BIA had no further application to Joriki Canada, provided that: (i) any and all steps, agreements and procedures validly taken, done or entered into by Joriki Canada or the Proposal Trustee during the NOI Proceeding shall remain valid and binding; and (ii) nothing in the Initial Order shall affect, vary, derogate from, limit or amend, and A&M shall continue to have the benefit of, any and all of the rights, approvals and protections in favour of the Proposal Trustee at law or pursuant to the BIA or otherwise;
- (b) notwithstanding Section 50.4(8) of the BIA, Joriki Canada shall not be deemed to have made an assignment in bankruptcy as a result of not having filed a proposal with the official receiver; and
- (c) A&M may take all necessary steps in furtherance of its discharge as Proposal Trustee, including the taxation of its fees and disbursements, in these CCAA Proceedings.

- 1.6 In addition to the foregoing, the Initial Order, among other things:
- (a) granted a stay of proceedings in favour of the Applicants and their respective directors and officers until and including February 28, 2025 (the “**Stay Period**”);
 - (b) granted an Administration Charge, Directors’ Charge, KERP Charge, and DIP Lender’s Charge (the “**Priority Charges**”) over the property and assets of the Applicants in the amounts and relative priority as set out in the Initial Order; and
 - (c) ordered that the Applicants meet the criteria prescribed by the Wage Earners Protection Program Act (Canada) (“**WEPPA**”) and its regulations.
- 1.7 On the Filing Date, the Court also granted the Auction and Liquidation Approval Order (Pickering Facility) (the “**Liquidation Approval Order (Pickering Facility)**”) approving the agreement entered into between Joriki Canada and Maynards Industries II Canada Ltd. (the “**Liquidator**”) dated January 22, 2025, in respect of the liquidation of Joriki Canada’s assets at its Pickering facility.
- 1.8 At a hearing held on February 26, 2025, the Applicants sought and obtained:
- (a) an approval and vesting order for Joriki Canada’s assets at the Delta facility, among other things, approving the sale transaction contemplated by the Delta Facility Purchase Agreement (the “**Delta Facility Transaction**”);
 - (b) an approval and vesting order for Joriki Canada’s assets at the Toronto facility, among other things, approving the sale transaction contemplated by the Toronto

Facility Purchase Agreement (the “**Toronto Facility Transaction**” and, together with the Delta Facility Transaction, the “**Transactions**”); and

- (c) an order, among other things: (i) extending the Stay Period to and including March 31, 2025; and (ii) authorizing the Applicants and the Monitor to make certain distributions from the proceeds of the Transactions, the liquidation of the Pickering facility and their remaining cash on hand, to the Agent for the benefit of the Senior Lenders.

1.9 On March 24, 2025, the Applicants sought and obtained the Expansion of Monitor’s Powers and CCAA Termination Order, which, among other things:

- (a) granted to the Monitor the Expanded Powers (as defined therein) following the termination of all remaining employees by the Applicants and concurrent with the deemed resignation of all then current directors and officers of the Applicants upon service by the Monitor of the Monitor’s Certificate (as defined therein) on the service list in these CCAA Proceedings (the “**Service List**”);
- (b) terminated these CCAA Proceedings upon service by the Monitor of the CCAA Termination Certificate (as defined therein) on the Service List (the “**CCAA Termination Time**”);
- (c) discharged A&M as the Monitor and the Proposal Trustee as at the CCAA Termination Time and granted certain related relief;
- (d) extended the Stay Period until and including the earlier of: (i) the CCAA Termination Time; or (ii) such other date as the Court may order; and

(e) removed the sealing of certain appendices to the First Report.

1.10 Unless otherwise indicated, capitalized terms used and not defined in this Third Report shall have the meanings given to them in the Prior Reports.

2.0 PURPOSE OF THIS REPORT

2.1 The purpose of this Third Report is to provide the Court with information and, where applicable, the Monitor's views on:

- (a) the Applicants' motion for a proposed order (the "**Forklift AVO**"), which, among other things, would: (i) approve the Forklift Transaction (as described below) and vest in the buyer the Seller's right, title and interest in the Purchased Assets (as defined below); (ii) approve a distribution to the Secured Lender (as defined below) of the proceeds of the Forklift Transaction; and (iii) seal the confidential appendix attached as **Appendix "C"** to this Third Report until closing of the Forklift Transaction;
- (b) the WEPPA process;
- (c) cash flow results of the Applicants for the 13-week period ended June 13, 2025;
- (d) the Applicants' updated cash flow forecast for remaining wind down costs;
- (e) the activities of the Monitor since the date of the Second Report;
- (f) the activities remaining to complete these CCAA Proceedings; and
- (g) the Monitor's conclusions and recommendations in connection with the foregoing.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Third Report, A&M, in its capacity as the Monitor, has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by the Applicants and has held discussions with management of the Applicants and their legal counsel (collectively, the “**Information**”). Except as otherwise described in this Third Report:

- (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 Third 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.

3.2 Future oriented financial information referred to in this Third 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, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

- 3.3 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

4.0 FORKLIFT TRANSACTION

Forklift Sale Process

- 4.1 Following the commencement of the Chapter 7 Case in the United States, Joriki Canada and the Monitor reviewed the equipment and other assets located at the Pittston facility to ensure any assets of Joriki Canada were appropriately segregated from the Chapter 7 Case proceedings. During this review, it was identified that a portfolio of plant equipment assets, comprising rolling stock and lift truck assets (the “**Forklifts**”) currently being financed by Joriki Canada under an equipment finance contract dated February 14, 2023 and an addition agreement thereto dated June 23, 2023 (collectively, the “**Equipment Finance Contract**”) with The Bank of Nova Scotia (the “**Secured Lender**”) were all located at the Pittston facility.
- 4.2 The Applicants and the Monitor engaged in discussions with the Chapter 7 Trustee regarding the Forklifts and it was initially anticipated that the Forklifts were to be included in the sale of Joriki USA’s assets at the Pittston facility by the Chapter 7 Trustee. However, the Chapter 7 Trustee ultimately advised the Applicants that Joriki Canada should instead liquidate the Forklifts.
- 4.3 Accordingly, the management team, with the Monitor’s assistance and in discussion with the Secured Lender, sought to obtain an estimated valuation of the Forklifts, as well as to consider potential realization alternatives for the Forklifts.

- 4.4 Through discussion with various potential purchasers and machinery and equipment liquidators, it was determined that the highest possible realization for the Forklifts would be through a local sale in Pittston, given the significant cost of transporting the Forklifts relative to their estimated value.
- 4.5 Therefore, management, with the assistance of the Monitor, canvassed potential purchasers (the “**Forklift Sale Process**”) including local and non-local liquidators, the original equipment manufacturer, other local manufacturers who use similar equipment in their operations, and the purchaser of the Pittston facility assets of Joriki USA in the Chapter 7 Case, Long Way USA Corp. (“**Long Way**”).
- 4.6 In March 2025, after discussions and negotiations with seven potential purchasers, three bids were obtained for the Forklifts. The bids reflected cash purchase prices, payable upon closing, and were submitted via email to management. Management requested that the two lower bidders consider increasing their bids, but neither were able to match the highest bid, which was from Long Way.
- 4.7 Management and the Monitor, in consultation with the Secured Lender, reviewed each bid based on, among other factors, economic value and execution certainty, including any conditions and closing timeline. It was determined that Long Way was the optimal bidder based on proposed value and certainty of execution. Management and Long Way have worked to advance the purchase terms, culminating in the bill of sale dated May 14, 2025 (the “**Bill of Sale**”) described below.

- 4.8 The Forklift Sale Process was a reasonable process that appropriately canvassed the market for the Forklifts. The Monitor does not believe that further marketing efforts for the Forklifts would yield better results.

Forklift Transaction

- 4.9 Certain key terms of Long Way's purchase of the Forklifts (the "**Forklift Transaction**"), for which a redacted copy of the Bill of Sale is attached as **Appendix "B"** of this Third Report, are summarized in the following table:

Bill of Sale ¹	
Parties	<ul style="list-style-type: none">• Joriki Canada as Seller. Long Way as Buyer.
Purchase Price	<ul style="list-style-type: none">• The Buyer has funded the Purchase Price in full to the Monitor, in trust, to be released to the Seller upon obtaining Court Approval and delivery of the Monitor's Certificate to the Buyer.
Purchased Assets	<ul style="list-style-type: none">• The Purchased Assets include:<ul style="list-style-type: none">○ 21 forklifts, batteries and chargers;○ Nine reach trucks, batteries, and chargers;○ One pallet jack; and○ One Fork Bar Rotator.
Closing Date	<ul style="list-style-type: none">• The Forklift Transaction shall be subject to obtaining Court Approval and effective upon delivery of the Monitor's Certificate by the Monitor to the Buyer.

- 4.10 The Monitor notes the following with respect to the Forklift Transaction:

- (a) the proposed Forklift Transaction is the result of: (i) the Forklift Sale Process that was conducted by Joriki Canada with the assistance of the Monitor, which canvassed a reasonably broad group of potential purchasers; and (ii) negotiations among Joriki Canada, Long Way, the Monitor and their respective counsel;

¹ Capitalized terms used in this table and not otherwise defined herein have the meanings given to such terms in the Bill of Sale. This chart is provided as a summary only and parties should refer to the Bill of Sale for further details regarding the Forklift Transaction.

- (b) as described above, the Forklift Transaction contemplates that Long Way will acquire Joriki Canada's right, title and interest in and to the Forklifts;
- (c) the Forklift Transaction proceeds have been delivered to the Monitor, in trust;
- (d) the Forklift Transaction represents the most value maximizing transaction identified in the Forklift Sale Process; and
- (e) the Secured Lender is supportive of the proposed Forklift Transaction.

4.11 In light of each of the foregoing, the Monitor is of the view that the Forklift Transaction, including the consideration being provided by Long Way, is fair and reasonable in the circumstances and recommends approval of the Forklift Transaction.

Sealing of the Unredacted Bill of Sale

4.12 The Applicants and the Monitor consider the Purchase Price contemplated by the Forklift Transaction to be highly confidential and commercially sensitive information. Further, if the Forklift Transaction does not close, Joriki Canada and the Monitor believe that disclosure of the Purchase Price may materially impair the ability to negotiate an alternative transaction. On that basis the Monitor supports sealing the Purchase Price payable under the Forklift Transaction.

Forklift AVO

4.13 Pursuant to the proposed Forklift AVO, Joriki Canada is seeking the approval of the Bill of Sale and the Forklift Transaction, and the vesting of the assets described in Schedule A of the Bill of Sale (the "**Purchased Assets**") in and to Long Way, free and clear of all claims and encumbrances. Such vesting shall be effective upon the delivery by the Monitor

to Long Way of a certificate confirming that Long Way has satisfied the Purchase Price for the Purchased Assets in accordance with the Bill of Sale.

- 4.14 The Forklift AVO also authorizes the Monitor to make one or more distributions from the net proceeds of the Forklift Transaction to the Secured Lender, up to the full amount outstanding under the Equipment Finance Contract, free and clear from any and all security interests, encumbrances or charges.

5.0 SECURITY REVIEW

- 5.1 The Monitor's Canadian and US counsel have undertaken a review of the security granted by Joriki Canada in the Province of Ontario and State of Pennsylvania in favour of the Secured Lender pursuant to the Equipment Finance Contract (collectively, the "**Loan Documents**"). Subject to qualifications and assumptions in the security opinion/memo, the Monitor's counsel concluded that the security granted by Joriki Canada in respect of the Loan Documents constitutes a valid security interest in favour of the Secured Lender, registered and perfected in the Provinces of Ontario and the state of Pennsylvania. In addition, the Monitor is not aware of any priority claim being asserted by Joriki's creditors that would rank ahead of the claims of the Secured Lender (subject to the priority charges granted in the CCAA Proceedings).

6.0 UPDATE ON THE WEPPA PROCESS

- 6.1 Pursuant to the Initial Order, it was determined that the Applicants meet the criteria prescribed by WEPPA and its regulations. As such, the Monitor has assisted the Applicants in preparing the calculations of WEPPA eligible amounts for its former employees and

facilitated the submission of necessary documentation to Service Canada for the processing of WEPPA claims.

6.2 As of the date of this Third Report, the Monitor has received and processed all WEPPA applications submitted by eligible former employees of Joriki Canada. The Monitor has been in contact with Service Canada and understands that Service Canada is currently reviewing all submitted applications.

6.3 The Monitor has made numerous attempts to contact several eligible former Joriki Canada employees who have not submitted WEPPA applications to date. The Monitor requested and was granted a WEPPA filing deadline extension to July 29, 2025, but does not intend to extend the application deadline past this date.

7.0 CASH FLOW RESULTS RELATIVE TO FORECAST

7.1 Actual receipts and disbursements for the 11-week period from March 15 to May 30, 2025, as compared to the cash flow forecast appended to the Second Report (the “**Cash Flow Forecast**”), as well as actual results for the two weeks ended June 13, 2025 (together, the 13-week “**Reporting Period**”), are summarized in the table on the following page:

Cash Flow Variance Report				
<i>Unaudited \$CAD 000's</i>				
For the Reporting Period:	Mar. 15 to May 30, 2025			May 31 to Jun. 13
<i>Actual/Forecast</i>	<i>Actual</i>	<i>Forecast</i>	<i>Variance</i>	<i>Actual</i>
Receipts				
Customer Receipts	1,081	743	338	-
Liquidation Proceeds	406	365	41	-
Other Receipts	43	-	43	38
Total Receipts	1,530	1,108	422	38
Disbursements				
Payroll & Benefits	191	173	(18)	-
Contract Labour	152	235	83	24
Property Taxes	6	55	49	-
Net HST/GST remittance	(167)	-	167	-
Rent	88	119	31	-
Utilities	37	230	193	-
Professional Fees	1,218	1,988	770	81
Other Expenditures	378	367	(11)	31
KERP	256	255	(1)	-
Total Disbursements	2,159	3,422	1,263	136
Net Cash Flow	(629)	(2,314)	1,685	(98)
Opening Cash	4,934	4,934	-	4,305
Net Cash Flow	(629)	(2,314)	1,685	(98)
Closing Cash	4,305	2,620	1,685	4,207

7.2 The Applicants experienced a positive net cash flow variance of approximately \$1.7 million for the 11-week period ended May 30, 2025 compared to the Cash Flow Forecast, primarily attributable to higher than forecast customer receipts and lower than forecast utilities and professional fees. The positive variance in utilities is expected to be timing in nature, while the positive professional fees variance is expected to include a portion that is a permanent favourable difference due to lower than forecast costs.

7.3 During the two weeks subsequent to the Cash Flow Forecast, the Applicants collected approximately \$38,000 of deposit refunds, and disbursed \$136,000 for net cash outflow of \$98,000. Cash on hand as of the date of this Third Report is approximately \$4.2 million.

7.4 On June 11, 2025, the Monitor received the proceeds of the Forklift Transaction described above, which are being held in trust pending Court approval and completion of the Forklift Transaction.

8.0 UPDATED CASH FLOW FORECAST

8.1 The Applicants, with the assistance of the Monitor, prepared an updated cash flow forecast (the “**Updated Cash Flow Forecast**”) for the estimated remaining wind down expenses.

8.1 The Updated Cash Flow Forecast is provided in the table below:

Updated Cash Flow Forecast	
<i>Unaudited \$CAD 000's</i>	
Receipts	
Sundry Receipts	-
Total Receipts	-
Disbursements	
Contract Labour	62
Utilities	135
Professional Fees	282
Other Expenditures	100
Total Disbursements	579
Net Cash Flow	(579)
Opening Cash	4,207
Net Cash Flow	(579)
Closing Cash	3,628

9.0 ACTIVITIES OF THE MONITOR

9.1 Since the date of the Second Report, the Monitor has engaged in the following activities:

- (a) assisting Joriki Canada in its efforts to maximize realizations from the Forklift Transaction and its remaining working capital assets;
- (b) liaising with Joriki Canada, the Liquidator and the landlord of the Pickering facility with respect to the liquidation of assets at the Pickering facility and Joriki Canada's exit from the Pickering facility, which occurred on April 29, 2025;
- (c) assisting Joriki Canada in asserting claims under its insurance policies for losses in connection with the Recall;
- (d) assisting Joriki Canada in responding to information requests and inquiries by the Canada Revenue Agency in relation to a harmonized sales tax audit;
- (e) assisting Joriki Canada with communications to, and engaging with employees, suppliers, landlords and other stakeholders;
- (f) monitoring the Applicants' cash receipts and disbursements, and assisting in preparing weekly cash flow variance reporting;
- (g) coordinating with Service Canada, assisting in preparing letters to former employees and administering claims of former employees with respect to WEPPA;
- (h) posting non-confidential materials filed with the Court to the Case Website;

- (i) responding to information requests of former customers relating to obtaining copies of records for the products of such former customers;
- (j) assisting Joriki Canada in continuing discussions with the prosecutor regarding a potential resolution of the By-Law Proceeding and, with the assistance of the prosecutor, resolving the By-Law Proceeding;
- (k) assisting Joriki Canada in reaching a settlement with a landlord regarding a return of a security deposit;
- (l) responding to inquiries submitted via the Monitor's case email account and toll-free telephone number; and
- (m) with the assistance of its legal counsel, Osler, Hoskin and Harcourt LLP, preparing this Third Report.

10.0 REMAINING ACTIVITIES

10.1 The expected Remaining Activities of the Applicants and the Monitor, to bring these CCAA Proceedings to completion, include the following:

- (a) continuing ongoing discussions with certain former customers regarding availability of production records and materials on a go-forward basis and working towards satisfactory resolutions that minimize costs to the Applicants;
- (b) continuing to pursue claims under the Applicants' insurance policies for losses in connection with the Recall;


- (c) continuing to work on the collection of outstanding sundry amounts, such as prepayments and tax refunds;
- (d) continuing to respond to inquiries from stakeholders submitted directly to the Monitor or its counsel and via the Monitor's case email account and toll-free telephone number;
- (e) continuing to monitor the Applicants' cash receipts and disbursements, and preparing cash flow variance reporting as required;
- (f) making additional distributions from the remaining cash on hand to secured creditors;
- (g) completing statutory and administrative duties and filings; and
- (h) completing such other matters as may be necessary or appropriate to wind-down the affairs of the Applicants and these CCAA Proceedings, including filing of the CCAA Termination Certificate.

11.0 CONCLUSIONS AND RECOMMENDATIONS


- 11.1 For the reasons set out in this Third Report, the Monitor respectfully recommends the Court approve the Forklift Transaction and grant the additional relief requested in the Forklift AVO.

All of which is respectfully submitted to the Court this 23rd day of June, 2025.

**Alvarez & Marsal Canada Inc.,
solely in its capacity as Monitor of Joriki TopCo Inc. and Joriki Inc.,
and not in its personal or corporate capacity**

Per: 

Alan J. Hutchens
Senior Vice-President

Per: 

Stephen R. Moore
Vice-President

APPENDIX A

SECOND REPORT OF THE MONITOR (WITHOUT APPENDICES)

**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 JORIKI TOPCO INC. AND JORIKI INC.**

**SECOND REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

MARCH 24, 2025

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APPENDICES

Appendix A – First Report of the Monitor (without appendices)

Appendix B – Updated Cash Flow Forecast (incl. Management’s Representation Letter)

Appendix C – Affidavit of Alan J. Hutchens sworn March 24, 2025

Appendix D – Affidavit of Tracy C. Sandler sworn March 24, 2025

1.0 INTRODUCTION

- 1.1 On January 28, 2025 (the “**Filing Date**”), Joriki TopCo Inc. (“**Joriki TopCo**”) and Joriki Inc. (“**Joriki Canada**”, and together, the “**Applicants**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”, and the proceedings, the “**CCAA Proceedings**”) pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as monitor of the Applicants (in such capacity, the “**Monitor**”) in these CCAA Proceedings. Joriki USA Inc. (“**Joriki USA**”, and together with the Applicants, “**Joriki**” or the “**Company**”), is the Company’s US operating subsidiary, but is not an applicant in these CCAA Proceedings. On January 12, 2025, Joriki USA filed a petition under Chapter 7 of the United States Bankruptcy Code before the United States Bankruptcy Court for the District of Delaware.
- 1.3 Prior to the commencement of these CCAA Proceedings, on December 31, 2024, Joriki Canada filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3 (the “**BIA**”, and the proceedings, the “**NOI Proceeding**”) and A&M was appointed as Proposal Trustee (in such capacity, the “**Proposal Trustee**”).
- 1.4 The Monitor previously filed a copy of the First Report of the Monitor dated February 25, 2025 (the “**First Report**”), which is attached hereto as **Appendix “A”** (without appendices). A&M also filed a First Report of the Proposal Trustee and Pre-Filing Report of the Proposed Monitor dated January 26, 2025 (the “**Pre-Filing Report**”, and together

with the First Report, the “**Prior Reports**”). The Prior Reports and other Court-filed documents and notices in these CCAA Proceedings and NOI Proceeding are available on the Monitor’s case website at: www.alvarezandmarsal.com/joriki (the “**Case Website**”).

1.5 Pursuant to the Initial Order:

- (a) the NOI Proceeding was taken up and continued under the CCAA, and the provisions of Part III of the BIA had no further application to Joriki Canada, provided that: (i) any and all steps, agreements and procedures validly taken, done or entered into by Joriki Canada or the Proposal Trustee during the NOI Proceeding shall remain valid and binding; and (ii) nothing in the Initial Order shall affect, vary, derogate from, limit or amend, and A&M shall continue to have the benefit of, any and all of the rights, approvals and protections in favour of the Proposal Trustee at law or pursuant to the BIA or otherwise;
- (b) notwithstanding Section 50.4(8) of the BIA, Joriki Canada shall not be deemed to have made an assignment in bankruptcy as a result of not having filed a proposal with the official receiver; and
- (c) A&M may take all necessary steps in furtherance of its discharge as Proposal Trustee, including the taxation of its fees and disbursements, in these CCAA Proceedings.

1.6 In addition to the foregoing, the Initial Order, among other things:

- (a) granted a stay of proceedings in favour of the Applicants and their respective directors and officers until and including February 28, 2025 (the “**Stay Period**”);

- (b) approved the execution by the Applicants of a DIP financing term sheet (the “**DIP Term Sheet**”) entered into with the Senior Lenders (in such capacity, collectively, the “**DIP Lender**”), providing for borrowings of up to a maximum principal amount of \$1.2 million (plus interest, fees and expenses);
 - (c) granted an Administration Charge, Directors’ Charge, KERP Charge, and DIP Lender’s Charge (the “**Priority Charges**”) over the property and assets of the Applicants in the amounts and relative priority as set out in the Initial Order; and
 - (d) ordered that the Applicants meet the criteria prescribed by the Wage Earners Protection Program Act (Canada) (“**WEPPA**”) and its regulations.
- 1.7 On the Filing Date, the Court also granted the Auction and Liquidation Approval Order (Pickering Facility) (the “**Liquidation Approval Order (Pickering Facility)**”) approving the agreement entered into between Joriki Canada and Maynards Industries II Canada Ltd. (the “**Liquidator**”) dated January 22, 2025 (the “**Liquidation Services Agreement**”), in respect of the liquidation of Joriki Canada’s assets at its Pickering facility.
- 1.8 At a hearing held on February 26, 2025, the Applicants sought and obtained:
- (a) an approval and vesting order for Joriki Canada’s assets at the Delta facility, among other things, approving the sale transaction contemplated by the Delta Facility Purchase Agreement (the “**Delta Facility Transaction**”);
 - (b) an approval and vesting order for Joriki Canada’s assets at the Toronto facility, among other things, approving the sale transaction contemplated by the Toronto

Facility Purchase Agreement (the “**Toronto Facility Transaction**” and, together with the Delta Facility Transaction, the “**Transactions**”); and

- (c) an order (the “**Ancillary Relief Order**”), among other things: (i) extending the Stay Period to and including March 31, 2025; and (ii) authorizing the Applicants and the Monitor to make certain distributions from the proceeds of the Transactions, the liquidation of the Pickering facility and their remaining cash on hand, to the Agent for the benefit of the Senior Lenders.

1.9 This second report (the “**Second Report**”) should be read in conjunction with the affidavit of Michael G. Devon, the Chief Financial Officer of the Applicants, sworn March 21, 2025 (the “**Third Devon Affidavit**”). Unless otherwise indicated, capitalized terms used and not defined in this Second Report shall have the meanings given to them in the Third Devon Affidavit, the First Report or the Pre-Filing Report.

2.0 PURPOSE OF THIS REPORT

2.1 The purpose of this Second Report is to provide the Court with information and, where applicable, the Monitor’s views on:

- (a) the closing of the Transactions and a distribution to the Senior Lenders;
- (b) the Pickering facility liquidation;
- (c) the WEPP process;
- (d) cash flow results of the Applicants for the three-week period ended March 14, 2025;

- (e) the Applicants' updated cash flow forecast for the eleven-week period ending May 30, 2025;
- (f) the Applicants' motion for a proposed order (the **"Expansion of Monitor's Powers and CCAA Termination Order"**), which among other things would:
 - (i) grant to the Monitor the Expanded Powers (as defined below) following the termination of all remaining employees by the Applicants and concurrent with the deemed resignation of all then current directors and officers of the Applicants upon service by the Monitor of the Monitor's Certificate (as defined below) on the service list in these CCAA Proceedings (the **"Service List"**);
 - (ii) terminate these CCAA Proceedings upon service by the Monitor of the CCAA Termination Certificate (as defined below) on the Service List (the **"CCAA Termination Time"**);
 - (iii) discharge A&M as the Monitor and the Proposal Trustee as at the CCAA Termination Time and grant certain related relief;
 - (iv) extend the Stay Period until and including the earlier of: (i) the CCAA Termination Time; or (ii) such other date as the Court may order;
 - (v) terminate and release the KERP Charge and the DIP Lender's Charge;
 - (vi) approve the fees and disbursements of the Proposal Trustee, the Monitor and their counsel, and the report of the Monitor and its activities described therein; and

- (vii) remove the sealing of certain appendices to the First Report;
- (g) the activities of the Monitor (since the date of the First Report);
- (h) the activities remaining to complete these CCAA Proceedings; and
- (i) the Monitor's conclusions and recommendations in connection with the foregoing.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Second Report, A&M, in its capacity as the Monitor, has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by the Applicants and has held discussions with management of the Applicants and their legal counsel (collectively, the "**Information**"). Except as otherwise described in this Second Report:

- (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 Second 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.

3.2 Future oriented financial information referred to in this Second 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, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

3.3 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

4.0 SALE TRANSACTIONS AND DISTRIBUTION

Sale Transactions

4.1 The Toronto Facility Transaction closed on February 28, 2025, upon the delivery of a certificate by the Monitor to the purchaser, Top Shelf Food and Beverage Corp. ("**Top Shelf**"), confirming that: (a) Top Shelf had satisfied the Purchase Price for the Purchased Toronto Assets in accordance with the Toronto Facility Purchase Agreement; and (b) Top Shelf, Joriki Canada and the Monitor were satisfied that all closing conditions had been satisfied or waived by the applicable parties.

4.2 The Delta Transaction closed on March 7, 2025, upon the delivery of a certificate by the Monitor to the purchaser, Happy Planet Foods, Inc. ("**Happy Planet**"), confirming that: (a) Happy Planet had satisfied the Purchase Price for the Purchased Delta Assets in accordance with the Delta Facility Purchase Agreement; and (b) Happy Planet, Joriki Canada and the Monitor were satisfied that all closing conditions had been satisfied or waived by the applicable parties.

- 4.3 Aggregate gross sale proceeds from the Transactions of approximately \$11.1 million were received by the Monitor in-trust, on behalf of the Applicants.

First Interim Distribution

- 4.4 As of December 31, 2024, Joriki Canada, as borrower, and Joriki USA and Joriki TopCo, as guarantors, were indebted to the Senior Lenders in the amount of approximately \$192.1 million.
- 4.5 Pursuant to the Ancillary Relief Order, the Applicants and the Monitor were authorized to make certain distributions from the proceeds of the Transactions to the Agent, for the benefit of the Senior Lenders, subject to retaining sufficient funds to satisfy obligations secured by the Priority Charges and such additional amounts deemed necessary to fund the ongoing administration of these CCAA Proceedings.
- 4.6 On March 14, 2025, the Monitor made a distribution of \$10.6 million to the Agent for the benefit of the Secured Lenders, net of certain professional fees and approximately \$335,000 that continues to be held in-trust by the Monitor.

5.0 UPDATE ON THE PICKERING FACILITY LIQUIDATION

- 5.1 Following the granting of the Auction and Liquidation Approval Order (Pickering Facility) on January 28, 2025, the Liquidator generally readied the equipment and other assets located at the Pickering facility for sale, prepared and distributed marketing materials, facilitated asset inspections by interested parties and conducted an online auction on March 6, 2025 (the “**Auction**”).

- 5.2 During the week ended February 14, 2025, the Liquidator concluded a sale of certain assets at the Pickering facility for a total net amount of approximately \$1.2 million (the “**First Bulk Sale**”). The net proceeds from the First Bulk Sale were received by Joriki Canada on February 18, 2025.
- 5.3 During the week ended March 7, 2025, the Liquidator concluded a second sale of certain assets at the Pickering facility for a total net amount of approximately \$1.9 million (the “**Second Bulk Sale**”, and together with the First Bulk Sale, the “**Bulk Sales**”). The net proceeds from the Second Bulk Sale were received by Joriki Canada on March 5, 2025.
- 5.4 The Auction yielded estimated net sales of approximately \$400,000. The Liquidator is in the process of collecting the sales proceeds from the successful bidders and the net proceeds are expected to be substantially remitted to Joriki Canada by the week ending April 11, 2025.
- 5.5 Total net proceeds for the Pickering facility liquidation, from the Bulk Sales and the Auction, aggregate approximately \$3.5 million. The funds received to date are held by the Applicants.
- 5.6 From March 7, 2025, successful bidders/purchasers were required to commence removing their purchased assets. In accordance with the Liquidation Services Agreement, the Liquidator is to leave the premises in an orderly and broom swept condition, but is not required to remedy or repair any condition resulting from the removal of assets, except to the extent required to comply with applicable building or electrical codes or to the extent incurred as a result of the negligence of the Liquidator in the performance of its obligations under the Liquidation Services Agreement.

- 5.7 The Monitor understands that the Liquidator intends to have all equipment removed by April 15, 2025, after which time the Pickering facility will be vacated and turned over to the landlord.

6.0 UPDATE ON THE WEPP PROCESS

- 6.1 Pursuant to the Initial Order, the Applicants meet the criteria prescribed by WEPPA and its regulations. As such, the Monitor has assisted the Applicants in preparing the calculations of WEPPA eligible amounts for its former employees and facilitated the submission of necessary documentation to Service Canada for the processing of WEPP claims.
- 6.2 The Monitor understands that the purchaser of the Delta facility is considering hiring a number of former employees, which could impact those employees' WEPP calculations. Therefore, the Monitor has requested and been granted a WEPP filing deadline extension to April 30, 2025.

7.0 CASH FLOW RESULTS RELATIVE TO FORECAST

- 7.1 Actual receipts and disbursements for the three-week period from February 22 to March 14, 2025 (the “**Reporting Period**”), as compared to the cash flow forecast appended to the First Report are summarized in the table on the following page:

Cash Flow Variance Report			
<i>Unaudited \$CAD 000's</i>			
For the Period:	Feb. 22, 2025 to Mar. 14, 2025		
<i>Actual/Forecast</i>	<i>Actual</i>	<i>Forecast</i>	<i>Variance</i>
Receipts			
Customer Receipts	30	-	30
Liquidation Proceeds	1,875	-	1,875
Total Receipts	1,905	-	1,905
Disbursements			
Payroll & Benefits	172	177	5
Property Taxes	72	73	0
Rent	109	172	63
Utilities	80	274	195
Professional Fees	533	707	174
Other Expenditures	133	100	(33)
Total Disbursements	1,098	1,502	404
Net Cash Flow	807	(1,502)	2,309
Opening Cash	4,128	4,128	-
Net Cash Flow	807	(1,502)	2,309
Closing Cash	4,934	2,626	2,309

7.2 The above table excludes the net proceeds received from the closing of the Toronto Facility Transaction and Delta Facility Transaction, which were paid to the Monitor in-trust, on February 28, 2025, and March 7, 2025, respectively, for combined total gross proceeds of approximately \$11.1 million. Net proceeds of \$10.6 million were subsequently distributed by the Monitor to the Agent for the benefit of the Secured Lenders, net of certain professional fees and approximately \$335,000 that continues to be held in-trust by the Monitor.

7.3 During the Reporting Period the Applicants experienced a positive net cash flow variance of approximately \$2.3 million compared to the cash flow forecast appended to the First Report, primarily attributable to higher than forecast liquidation proceeds of approximately

\$1.9 million from the Second Bulk Sale of assets at the Pickering facility. Other variances in disbursements are generally considered by management to be timing in nature.

8.0 UPDATED CASH FLOW FORECAST

8.1 The Applicants, with the assistance of the Monitor, prepared an updated cash flow forecast (the “**Updated Cash Flow Forecast**”) for the 11-week period from March 15 to May 30, 2025 (the “**Cash Flow Period**”). A copy of the Updated Cash Flow Forecast, together with the notes and summary of assumptions as well as a copy of management’s representation letter, is attached hereto as **Appendix “B”**.

8.1 A summary of the Updated Cash Flow Forecast is provided in the following table:

Cash Flow Forecast Summary	
<i>Unaudited \$CAD 000's</i>	
Receipts	
Customer Receipts	743
Liquidation Proceeds	365
Total Receipts	1,108
Disbursements	
Payroll & Benefits	173
Contract Labour	235
Property Taxes	55
Rent	119
Utilities	230
Professional Fees	1,988
Other Expenditures	367
KERP	255
Total Disbursements	3,422
Net Cash Flow	(2,314)
Opening Cash	4,934
Net Cash Flow	(2,314)
Closing Cash	2,620

9.0 EXPANSION OF MONITOR'S POWERS AND CCAA TERMINATION ORDER

Expanded Powers

- 9.1 Following the closing of the Transactions, the Applicants, with the assistance of the Monitor, are engaged in certain limited remaining activities to complete the realization of value from the Applicants' assets and the orderly wind-down of their affairs (the "**Remaining Activities**"), as summarized in Section 12.0 of this Second Report.
- 9.2 As indicated above, most of the remaining employees were terminated in connection with the closing of the Transactions and the Monitor understands that the Applicants' directors and officers expect to resign in the near term as the Applicants' affairs are wound-down.
- 9.3 In light of the foregoing, the Applicants are seeking to provide the Monitor with the expanded powers and authority necessary to effectively and efficiently advance, among others, the Remaining Activities, and to complete these CCAA Proceedings (or any subsequent proceeding) and any related wind-down activities.
- 9.4 Pursuant to the proposed Expansion of Monitor's Powers and CCAA Termination Order, upon service by the Monitor on the Service List of a certificate, with the prior consent of the Applicants and concurrent with the resignation of the Applicants' remaining directors and officers (the "**Monitor's Certificate**"), the Monitor would be authorized and empowered to, but not required to exercise any powers which may be properly exercised by the board of directors or any officer of the Applicants (the "**Expanded Powers**"), including, among other powers, to cause the Applicants to:

- (a) take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Applicants, in order to facilitate the performance of any of their powers or obligations, or the exercise of any of their rights, including, without limitation, in connection with the Delta Facility Transaction, the Toronto Facility Transaction, the Pickering facility liquidation, any order of the Court in these CCAA Proceedings or any agreement or instrument to which an Applicant is party;
- (b) engage, retain or terminate the services of, or cause the Applicants to engage, retain, or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other Person (as defined in the Initial Order) or entities, all under the supervision and direction of the Monitor, as the Monitor, in its sole opinion, deems necessary or appropriate to assist with the exercise of its powers and duties;
- (c) perform such other functions or duties, and enter into any agreements or incur any obligations on behalf of the Applicants, as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Applicants, the realization and/or sale of the Applicants' remaining assets and undertakings, the distribution of the proceeds of their Property (as defined in the Initial Order), or any other related activities;
- (d) maintain the Applicants' bank accounts into which all funds, monies, cheques, instruments and other forms of payment held by or payable to the Applicants shall be deposited to from any source whatsoever and to operate and control as applicable, on behalf of the Applicants, such accounts in such manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the

exercise of the Monitor's powers and duties, including, without limitation, to transfer any funds on deposit therein to the Monitor's trust account from time to time;

- (e) commence, conduct, supervise and direct any proceeding or other effort to recover any Property of the Applicants (including any accounts receivable, insurance proceeds, refund or other amount due to the Applicants), including initiating, prosecuting and/or continuing the prosecution of any and all proceedings in the name of or on behalf of the Applicants;
- (f) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of the Applicants (including any governmental authority) in the name of or on behalf of the Applicants, including with respect to any litigation or regulatory proceedings to which any of the Applicants are a party;
- (g) assert all insurance claims of the Applicants and claim any and all insurance refunds or tax refunds to which the Applicants are entitled;
- (h) have access to all books and records that are the Property of or in the possession or control of the Applicants (the "**Books and Records**") or any service provider engaged by the Applicants or Monitor to assist with the retention of the Books and Records;
- (i) retain the Books and Records in accordance with the *Safe Food for Canadians Regulations* (SOR2018-108) or other applicable Canadian safety foods standards regulations, as applicable;

- (j) provide access to the Applicants' former customers to Books and Records relating to the production of products for such former customers on such terms as the Monitor shall consider appropriate, including with respect to confidentiality and cost reimbursement;
- (k) facilitate or assist the Applicants with accounting, tax and financial reporting functions, including the preparation of cash flow forecasts, tax returns, employee-related remittances, T4 statements and records of employment, in each case based solely upon the information in the Applicants' books and records and on the basis that the Monitor shall incur no liability or obligation to any Person with respect to such reporting, remittances, statements, records or other documents;
- (l) exercise any shareholder rights of the Applicants;
- (m) assign any of the Applicants, or cause any of the Applicants to be assigned, into bankruptcy, and A&M shall hereby be entitled but not obligated to act as a trustee in bankruptcy of any of the Applicants;
- (n) act as an authorized representative of the Applicants in respect of dealings with the Canada Revenue Agency (the "CRA") or any other taxation authority, and the Monitor shall hereby be entitled to execute any appointment or authorization form on behalf of the Applicants that the CRA or any other taxation authority may require in order to confirm the Monitor's appointment as an authorized representative for such purposes;
- (o) apply to this Court for advice and directions or any further orders necessary or advisable to carry out its powers and obligations under this Order or any other Order

granted by this Court, including for advice and directions with respect to any matter; and

- (p) take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

9.5 The Expansion of Monitor's Powers and CCAA Termination Order affords the Monitor customary protections with respect to carrying out the Expanded Powers, including in connection with any and all potential employment related liabilities and confirms that the Monitor shall not be deemed to be a director, officer or employee of the Applicants.

9.6 The Monitor is of the view that the matters contemplated by the Expanded Powers are appropriate and necessary matters that the Monitor would be in a position to supervise and administer given that: (a) the Applicants no longer conduct business operations; (b) such powers would only become effective following the termination of all remaining employees and concurrent with the resignation of the Applicants' remaining directors and officers; and (c) the Monitor has knowledge of the remaining activities to be completed.

9.7 In the Monitor's view, granting the Expanded Powers to the Monitor is reasonable, necessary and appropriate in the circumstances.

CCAA Termination

9.8 Pursuant to the proposed Expansion of Monitor's Powers and CCAA Termination Order, these CCAA Proceedings will be terminated upon service by the Monitor on the Service List of a certificate, confirming that all matters to be attended to in connection with these

CCAA Proceedings have been completed to the knowledge and the satisfaction of the Monitor (the “**CCAA Termination Certificate**”).

9.9 The proposed Expansion of Monitor’s Powers and CCAA Termination Order provides for, at the CCAA Termination Time, among other things:

- (a) the discharge of A&M from its duties as the Monitor and the Proposal Trustee, notwithstanding that A&M shall still have the authority to address any matters, as may be required, that are ancillary or incidental to these CCAA Proceedings or the NOI Proceeding; and
- (b) releases for the Monitor, the Proposal Trustee and their legal counsel, from any and all present and future claims of any kind whatsoever based on any act or omission, transaction, dealing or other occurrence relating to, arising out of, or in respect of, these CCAA Proceedings or the NOI Proceeding, subject to a carve out of claims resulting from gross negligence or wilful misconduct.

9.10 The Monitor is of the view that the proposed prospective termination of these CCAA Proceedings and discharge of the Monitor and the Proposal Trustee are reasonable and appropriate in these circumstances, including for the following reasons:

- (a) the remaining matters are limited and while it is possible that the Applicants may require further relief from the Court, it is also possible that such matters may be resolved without returning to Court, thereby allowing these CCAA Proceedings to proceed and conclude in an efficient and effective manner;

- (b) the Applicants are projected to have sufficient liquidity from cash on hand to fund completion of the remaining activities to maximize the value of their residual assets and wind-down their affairs; and
- (c) the Monitor and the Proposal Trustee have duly and properly discharged and performed their duties and obligations in these CCAA Proceedings and the NOI Proceeding and shall continue to do so.

10.0 RELEASE OF KERP CHARGE AND DIP LENDER'S CHARGE

- 10.1 Following the closing of the Transactions, the Applicants terminated the employment of most of their remaining employees and issued payments on March 21, 2025, to KERP participants for substantially all remaining amounts owing under the KERP. One final KERP payment to a continuing employee is expected to be made on April 4, 2025. The Applicants are seeking to terminate, release and discharge the KERP Charge effective upon payment of all outstanding amounts secured thereby.
- 10.2 No draws were made on the DIP Loan, as ultimately the Applicants were able to fund their ongoing expenses from cash on hand and receipts during these CCAA Proceedings. The Applicants are projected to have sufficient liquidity to fund, among others, the completion of their remaining activities, as reflected in the Updated Cash Flow Forecast. As such, the Applicants and the DIP Lender agreed to and confirmed the termination of the DIP Loan on March 12, 2025. The Applicants are seeking to terminate, release and discharge the DIP Lender's Charge effective immediately upon granting of the Expansion of Monitor's Powers and CCAA Termination Order.

- 10.3 Accordingly, the Monitor is of view that the proposed termination, release and discharge of the KERP Charge and the DIP Lender's Charge is appropriate in the circumstances.

11.0 ACTIVITIES OF THE MONITOR

- 11.1 Since the date of the First Report, the Monitor has engaged in the following activities:

- (a) assisting Joriki Canada and its advisors with closing the Delta Facility Transaction and the Toronto Facility Transaction with the respective purchasers;
- (b) assisting Joriki Canada in its efforts to maximize realizations from its working capital assets;
- (c) liaising with Joriki Canada, the Liquidator and the landlord of the Pickering facility with respect to the liquidation of assets at the Pickering facility and Joriki Canada's exit from the Pickering facility;
- (d) assisting Joriki Canada with communications to, and engaging with employees, suppliers, landlords and other stakeholders;
- (e) monitoring the Applicants' cash receipts and disbursements, and assisting in preparing weekly cash flow variance reporting;
- (f) coordinating with Service Canada, assisting in preparing letters to former employees and administering claims of former employees with respect to WEPP;
- (g) posting non-confidential materials filed with the Court to the Case Website;
- (h) responding to inquiries submitted via the Monitor's case email account and toll-free telephone number; and

- (i) with the assistance of its legal counsel, Osler, Hoskin and Harcourt LLP (“**Osler**”), preparing this Second Report.

12.0 REMAINING ACTIVITIES

12.1 The expected Remaining Activities of the Applicants and the Monitor, to bring these CCAA proceedings to completion, include the following:

- (a) continuing ongoing discussions with certain former customers regarding availability of production records and materials on a go-forward basis and working towards satisfactory resolutions that minimize costs to the Applicants;
- (b) continuing to evaluate and consider the Applicants’ options to pursue claims under their insurance policies for losses in connection with the Recall;
- (c) continuing discussions with the prosecutor regarding a potential resolution of the By-Law Proceeding;
- (d) continuing to work on the collection of outstanding accounts receivable owing by the Applicants’ customers as well as other sundry amounts, such as security deposits, prepayments and tax refunds;
- (e) continuing to liaise with Joriki Canada, the Liquidator and the landlord of the Pickering facility with respect to the liquidation of assets at the Pickering facility;
- (f) continuing ongoing discussions with the landlord of the Pickering facility regarding matters pertaining to Joriki Canada’s exit from the Pickering facility and disclaiming the Pickering lease;

- (g) continuing to advance discussions with potential purchasers regarding the liquidation of certain equipment at the Pittston facility and selecting and implementing a transaction;
- (h) continuing to respond to inquiries from stakeholders submitted directly to the Monitor or its counsel and via the Monitor's case email account and toll-free telephone number;
- (i) continuing to monitor the Applicants' cash receipts and disbursements, and assisting in preparing weekly cash flow variance reporting;
- (j) making one or more additional distributions from the remaining cash on hand to secured creditors;
- (k) completing statutory and administrative duties and filings; and
- (l) completing such other matters as may be necessary or appropriate to wind-down the affairs of the Applicants and these CCAA Proceedings, including filing of the Monitor's Certificate and the CCAA Termination Certificate.

13.0 APPROVAL OF THE FEES AND DISBURSEMENTS OF THE PROPOSAL TRUSTEE, THE MONITOR AND THEIR COUNSEL

- 13.1 Pursuant to paragraphs 33 and 34 of the Initial Order: (a) the Monitor and its legal counsel are to be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the Filing Date, by the Applicants as part of the costs of these CCAA Proceedings; and (b) the Monitor and its legal counsel shall pass their accounts from time to time before the Court. Further, the

Initial Order authorizes the Proposal Trustee to seek taxation of its fees and disbursements in the CCAA Proceedings.

- 13.2 Attached hereto as **Appendix “D”** is the Affidavit of Alan J. Hutchens sworn March 24, 2025 (the “**Hutchens Affidavit**”), attesting to the fees and disbursements of: (a) the Proposal Trustee for the period from December 29, 2024, to January 25, 2025, in the aggregate amount of \$344,531.35, comprised of fees of \$304,895.00 and taxes of \$39,636.35; and (b) the Monitor for the period from January 26 to March 22, 2025, in the aggregate amount of \$456,636.19, comprised of fees of \$397,737.50, disbursements of \$6,365.32 (primarily for the publication of a notice of these CCAA Proceedings in The Globe and Mail newspaper) and taxes of \$52,533.37. The anticipated fees and disbursements of the Monitor to complete its remaining duties in these CCAA Proceedings and the NOI Proceeding are estimated not to exceed \$275,000.
- 13.3 Attached hereto as **Appendix “E”** is the Affidavit of Tracy C. Sandler of Osler, sworn March 24, 2025 (the “**Sandler Affidavit**”), attesting to the fees and disbursements of Osler, for the period from January 21 to March 23, 2025, in the aggregate amount of \$214,102.92, comprised of fees of \$187,275.00, disbursements of \$2,196.61 and taxes of \$24,631.31. The anticipated fees and disbursements of Osler in connection with the Monitor’s completion of its remaining duties in these CCAA Proceedings and the NOI Proceeding are estimated not to exceed \$220,000.
- 13.4 The Monitor confirms that the fees and disbursements set out in the invoices attached to the Sandler Affidavit relate to advice sought by the Monitor and the Proposal Trustee and assistance provided in respect of these CCAA Proceedings and the NOI Proceeding, and

that, in the Monitor's view, the fees and disbursements of Osler are properly chargeable, reasonable and appropriate.

- 13.5 It is the Monitor's view that the fees and disbursements of the Monitor and the Proposal Trustee, and their counsel, described in the Hutchens Affidavit and the Sandler Affidavit, respectively, are reasonable and appropriate in the circumstances, having regard to the scope of activity undertaken by the Monitor in these CCAA Proceedings and the Proposal Trustee in the NOI Proceeding.

14.0 STAY EXTENSION

- 14.1 Pursuant to the Ancillary Relief Order, the Stay Period is set to expire on March 31, 2025. The Applicants are seeking an extension of the Stay Period to the earlier of: (a) the CCAA Termination Time; and (b) such other date as the Court may order.

- 14.2 The Monitor supports the requested relief extending the Stay Period for the following reasons:

- (a) the proposed extension of the stay of proceedings will provide the stability and certainty required to continue to enable the Applicants and the Monitor as required, to complete the Remaining Activities;
- (b) the Applicants are projected to have sufficient liquidity to fund completion of the Remaining Activities, as reflected in the Updated Cash Flow Forecast;
- (c) the Applicants have acted in good faith and with due diligence since commencing these CCAA Proceedings, and are expected to continue to do so during the CCAA Proceedings; and


(d) the Monitor does not believe any creditor will be prejudiced if the stay is extended.

15.0 CONCLUSIONS AND RECOMMENDATIONS


15.1 For the reasons set out in this Second Report, the Monitor is of the view that the relief sought in the Expansion of Monitor's Powers and CCAA Termination Order is reasonable, appropriate and necessary having regard to the Applicants' current circumstances and respectfully recommends that the Court grant the relief requested.

All of which is respectfully submitted to the Court this 24th day of March, 2025.

**Alvarez & Marsal Canada Inc.,
solely in its capacity as Monitor of Joriki TopCo Inc. and Joriki Inc.,
and not in its personal or corporate capacity**

Per: 

Alan J. Hutchens
Senior Vice-President

Per: 

Stephen R. Moore
Vice-President

APPENDIX B
REDACTED BILL OF SALE

BILL OF SALE

THIS BILL OF SALE is made the 14th day of May, 2025

BY:

JORIKI INC. (the “Seller”)

IN FAVOUR OF:

LONG WAY USA CORP. (the “Buyer”)

RECITALS:

- A. The Seller filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada) and Alvarez & Marsal Canada Inc. (“A&M”) was appointed as proposal trustee of the Seller (the “**BIA Proceedings**”).
- B. The Seller and certain of its affiliates (the “**CCAA Applicants**”) have converted the BIA Proceedings to proceedings under the *Companies’ Creditors Arrangement Act* (Canada), and obtained an initial order from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on January 28, 2025, pursuant to which, inter alia, A&M was appointed as the monitor (the “**Monitor**”) of the CCAA Applicants.
- C. Subject to Court Approval, the Seller has agreed to sell to the Buyer, and the Buyer has agreed to purchase from the Seller, the equipment set forth in Schedule A to this Bill of Sale (the “**Purchased Assets**”); and the Seller wishes to sell, convey, assign, transfer and deliver to the Buyer all of the Seller’s right, title and interest in, to and under the Purchased Assets (the “**Transaction**”).
- D. The Buyer has funded the Purchase Price (as defined below) to the Monitor, in trust, to be irrevocably released to the Seller upon obtaining Court Approval (as defined below) and delivery of the Monitor’s Certificate (as defined below) to the Buyer, or, in the alternative, refunding of the Purchase Price to the Buyer in the case where Court Approval is not obtained on or before July 15, 2025.

NOW THEREFORE, in consideration of the payment by the Buyer to the Seller of the Purchase Price and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Seller and the Buyer, the Seller and the Buyer hereby covenant and agree as follows:

PART 1

DEFINITIONS

1.1 In this agreement,

- (a) “**A&M**” has the meaning given to such term in Recital A;
- (b) “**Approval and Vesting Order**” means an approval and vesting order of the Court substantially in the form attached hereto as Exhibit A, among other things, approving this Bill of Sale and vesting in and to the Buyer all right, title and interest of the Seller in the Purchased Assets, free and clear of and from any and all claims and encumbrances to the extent and as provided for in such approval and vesting order;
- (c) “**BIA Proceedings**” has the meaning given to such term in Recital A;
- (d) “**CCAA Applicants**” has the meaning given to such term in Recital B;
- (e) “**Closing**” means the completion of the Transaction, which shall occur upon the delivery of the Monitor’s Certificate to the Buyer.
- (f) “**Court**” has the meaning given to such term in Recital B;
- (g) “**Court Approval**” means the issuance of the Approval and Vesting Order by the Court;
- (h) “**Monitor**” has the meaning given to such term in Recital B;
- (i) “**Monitor’s Certificate**” means the certificate, substantially in the form attached as Schedule “A” to the Approval and Vesting Order, to be delivered to the Buyer and filed with the Court by the Monitor;
- (j) “**Purchased Assets**” has the meaning given to such term in Recital C;
- (k) “**Purchase Price**” means [REDACTED]; and
- (l) “**Transaction**” has the meaning given to such term in Recital C;

PART 2

TRANSFER OF ASSETS

2.1 **Transfer.** Subject to obtaining prior Court Approval and effective upon delivery of the Monitor’s Certificate by the Monitor to the Buyer:

- (a) the Seller hereby sells, conveys, assigns, transfers and delivers to the Buyer all of the Seller’s right, title and interest in, to and under the Purchased Assets;

- (b) the Buyer hereby assumes all liabilities pertaining to the ownership or use of the Purchased Assets which first arise on or after the Closing but excluding any personal injury or property damage claims asserted which arise from or relate to the use of the Purchased Assets prior to Closing, except to the extent arising from the Buyer's use of the Purchased Assets prior to Closing; and
- (c) the Purchased Assets will be conveyed to the Buyer free and clear of any liens, claims and encumbrances.

PART 3

MISCELLANEOUS

3.1 **Currency.** All amounts in this Agreement are stated and shall be paid in U.S. Dollars

3.2 **Disclaimer of Warranties.** THE PURCHASED ASSETS ARE PURCHASED BY THE BUYER ON AN "AS IS, WHERE IS" BASIS WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE PURCHASED ASSETS AND WITHOUT ANY RECOURSE TO THE SELLER, THE MONITOR OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, REPRESENTATIVES OR ADVISORS. THE BUYER AGREES TO ACCEPT THE PURCHASED ASSETS IN THE CONDITION, STATE AND LOCATION THEY ARE IN BASED ON THE BUYER'S OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO THE SELLER, EXCEPT AS EXPRESSLY SET FORTH IN THIS BILL OF SALE. THE BUYER ACKNOWLEDGES AND AGREES THAT NO REPRESENTATION, WARRANTY, TERM OR CONDITION, UNDERSTANDING OR COLLATERAL AGREEMENT, WHETHER STATUTORY, EXPRESS OR IMPLIED, ORAL OR WRITTEN, LEGAL, EQUITABLE, CONVENTIONAL, COLLATERAL OR OTHERWISE, IS BEING GIVEN BY THE SELLER IN THIS BILL OF SALE OR IN ANY INSTRUMENT FURNISHED IN CONNECTION WITH THIS BILL OF SALE, AS TO DESCRIPTION, FITNESS FOR PURPOSE, SUFFICIENCY TO CARRY ON ANY BUSINESS, MERCHANTABILITY, QUANTITY, CONDITION, QUALITY, VALUE, SUITABILITY, DURABILITY, ENVIRONMENTAL CONDITION, ASSIGNABILITY OR MARKETABILITY THEREOF, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, AND ALL OF THE SAME ARE EXPRESSLY EXCLUDED.

3.3 **Further Assurances.** Each of the Seller and the Buyer shall at all times hereafter execute and deliver, at the request of the other party hereto, all such further documents and instruments and shall do and perform all such further acts as may be reasonably required by that other party to give full effect to the intent and meaning of this Bill of Sale.

3.4 **Monitor.** The Seller and Buyer hereby acknowledge and agree that the Monitor will be entitled to deliver the Monitor's Certificate to the Buyer and file the Monitor's Certificate with the Court upon obtaining Court Approval. Upon delivery of the Monitor's Certificate to the Buyer at the email address specified in the signature block of the Buyer, the Buyer irrevocably consents to

the Monitor releasing the Purchase Price to the Seller. The Monitor will have no liability to the Seller or the Buyer or any other person as a result of delivering and filing the Monitor's Certificate or otherwise in connection with this Bill of Sale or the Transaction contemplated hereunder (whether based on contract, tort or any other theory).

3.5 Governing Law. This Bill of Sale shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Buyer and the Seller shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties hereby attorn to the jurisdiction of the courts of the Province of Ontario.

3.6 Binding Effect. This Bill of Sale shall enure to the benefit of each party hereto and its successors and assigns and shall be binding upon each party and its successors and assigns.

3.7 Amendment. This Bill of Sale may not be amended except by written agreement between the Buyer and the Seller.

3.8 Severability. If any provision of this Bill of Sale or the application thereof to any party or circumstance shall be held invalid or unenforceable to any extent, the remainder of this Bill of Sale and any other provision hereof shall not be affected thereby and shall be enforced to the greatest extent permitted by applicable law.

3.9 Delivery. This Bill of Sale may be executed and delivered by facsimile, e-mail or otherwise, and when so executed and delivered will be deemed to be an original.

[signature page follows]

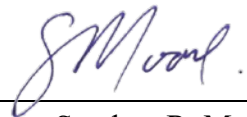
IN WITNESS WHEREOF the parties hereto have executed and delivered this Bill of Sale on the date first above written.

LONG WAY USA CORP.

By: 

Name: Zhang Xin
Email: zhangxin@szeastroc.com
I have authority to bind the Buyer

JORIKI INC. by Alvarez & Marsal Canada Inc.,
solely in its capacity as Court-appointed Monitor
of the Seller, and not in its personal capacity

By: 

Name: Stephen R. Moore
Title: Vice-President
Email: smoore@alvarezandmarsal.com

SCHEDULE A

LIFT EQUIPMENT OVERVIEW

<u>EQUIPMENT</u>	<u>OEM</u>	<u>MODEL</u>	<u>QUANTITY</u>	<u>SERIAL</u> <u>NO.</u>	<u>YEAR</u>	<u>HOURS</u> <u>(APPROX.)</u>	<u>CAPACITY</u>	<u>BATTERY</u>
Forklift - Sit Down CB	Crown	SC5725-35	21	10498962	2022	1800	3500	NA
				10498972				
				10498970				
				10498969				
				10498958				
				10498957				
				10498968				
				10498966				
				10498965				
				10498964				
				10498963				
				10498961				
				10498959				
				10498956				
				10498955				
				10498954				
				10498953				
				10498967				
				10498952				
				10498960				
				10498971				
Fork Bar Rotator	RightLine	RO40B-37A	1		2024	200	4000	NA
Battery	Crown - V Force	LI-ION	21		2022	1800	NA	Lithium Ion
Charger	Crown - V Force	FS3- MP344-3	21		2022	NA	NA	Lithium Ion
Reach Truck - Standard	Crown	RM6025-45	6	10343254	2022	2000	4500	NA
				10343255				
				10554032				
				10554229				
				10554031				
				10554230				

LIFT EQUIPMENT OVERVIEW

<u>EQUIPMENT</u>	<u>OEM</u>	<u>MODEL</u>	<u>QUANTITY</u>	<u>SERIAL NO.</u>	<u>YEAR</u>	<u>HOURS (APPROX.)</u>	<u>CAPACITY</u>	<u>BATTERY</u>
Battery	Crown - V Force	LI-ION	6		2022	2000	NA	Lithium Ion
Charger	Crown - V Force	FS4- MP344-4	6		2022	NA	NA	Lithium Ion
Reach Truck - Extended	Crown	RMD6025- 32	3	10495835 10526386 10526385	2022	3000	3200	NA
Battery	Crown - V Force	LI-ION	3		2022	3000	NA	Lithium Ion
Charger	Crown - V Force	FS4- MP344-4	3		2022	NA	NA	Lithium Ion
Pallet Jack	Crown	WP 3225-45	1	10626343	2024	125	4500	Lead Battery (x4)

EXHIBIT A

[Form of Approval and Vesting Order]

)

ON READING the Third Report of Alvarez & Marsal Canada Inc., in its capacity as the court-appointed monitor of the Applicants (the “**Monitor**”) dated ●, 2025, and such further materials as counsel may advise, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, counsel to The Bank of Nova Scotia, in its capacity as administrative agent

for the Senior Lenders of the Applicant and as lender under the Equipment Finance Contract¹ with Joriki Inc., and counsel to the other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the lawyer's certificate of service of Erik Axell dated ●, 2025, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the Forklift Bill of Sale or the Third Report.

APPROVAL OF THE FORKLIFT TRANSACTION

3. **THIS COURT ORDERS** that the Forklift Transaction is hereby approved and the execution of the Forklift Bill of Sale by the Seller is hereby authorized and approved *nunc pro tunc*, with such minor amendments as the Seller and the Buyer, with the consent of the Monitor, may deem necessary. The Seller is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Forklift Transaction and for the conveyance of the Purchased Assets to the Buyer.

VESTING OF THE PURCHASED ASSETS

4. **THIS COURT ORDERS** that upon the delivery of a Monitor's certificate to the Buyer substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all of the Seller's right, title and interest in and to the Purchased Assets shall vest absolutely in the Buyer, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or

¹ [NTD: Term to be defined in Third Report.]

otherwise, (collectively, the “**Claims**”) including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order of this Court made in the within proceedings dated January 28, 2025, or any other order made in these CCAA proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (British Columbia) or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”). For greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS AND DIRECTS** that the Monitor shall have no liability with respect to the delivery or filing of the Monitor’s Certificate.

9. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy or receivership order now or hereinafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) or other applicable legislation, in respect of any of the Applicants or their property, and any bankruptcy or receivership order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Applicants,

the entering into of the Forklift Bill of Sale and the vesting of the Purchased Assets in the Buyer pursuant to this Order shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of any of the Applicants and shall not be void or voidable by creditors of any of the Applicants, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

DISTRIBUTIONS

10. **THIS COURT ORDERS** that the Applicants and the Monitor are hereby authorized, at such time or times as the Monitor determines appropriate, to make one or more distributions from the net proceeds of the Forklift Transaction to The Bank of Nova Scotia, up to the full amount outstanding under the Equipment Finance Contract.

11. **THIS COURT ORDERS** that any distributions pursuant to paragraph 10 hereof shall be free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other orders made in this CCAA proceeding; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (British Columbia) or any other personal property registry system.

12. **THIS COURT ORDERS** that the Applicants and the Monitor shall be entitled to deduct and withhold from any distributions pursuant to paragraph 10 hereof such amounts as may be required to be deducted or withheld under any applicable law, and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person, such withheld or deducted amounts shall be treated for all

purposes as having been paid pursuant to this Order to such person as the remainder of the distribution in respect of which such withholding or deduction was made.

13. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA proceedings;
- (b) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the BIA, or any other applicable legislation in respect of any of the Applicants or their respective Property and any bankruptcy or receivership order issued pursuant to any such application; or
- (c) any assignment in bankruptcy made in respect of any of the Applicants,

any distributions made pursuant to this Order are final and irreversible and shall be binding upon any trustee in bankruptcy or receiver that may be appointed in respect of any of the Applicants, or their respective Property, and shall not be void or voidable by creditors of any of the Applicants, nor shall any such distributions constitute or be deemed to be fraudulent preferences, assignments, fraudulent conveyances, transfers-at-undervalue or other reviewable transactions under the CCAA, the BIA or any other applicable federal or provincial law, nor shall they constitute conduct which is oppressive, unfairly prejudicial to or which unfairly disregards the interests of any person, and shall, upon the receipt thereof, be free of all claims, liens, security interests, charges or other encumbrances granted by or relating to any of the Applicants or their respective Property.

14. **THIS COURT ORDERS** that the Applicants, the Monitor and their respective directors, officers, employees, representatives and agents shall not incur any liability in connection with the distributions contemplated by this Order, except for any liability arising from such Person's wilful misconduct or gross negligence, with respect to that Person alone.

15. **THIS COURT ORDERS** that the distributions contemplated herein shall not constitute a "distribution" by the Monitor and the Monitor shall not constitute a "legal representative", "representative" or a "responsible representative" of any of the Applicants or "other person" for

the purposes of Section 159 of the *Income Tax Act* (Canada), section 117 of the *Taxation Act*, 2007 (Ontario), Section 270 of the *Excise Tax Act* (Canada), Sections 46 and 86 of the *Employment Insurance Act* (Canada), Section 22 of the *Retail Sales Tax Act* (Ontario), Section 107 of the *Corporations Tax Act* (Ontario), or any other similar federal, provincial or territorial tax legislation (collectively, the “**Statutes**”), and the Monitor, in causing or assisting the Applicants to make any distribution in accordance with this Order is not “distributing”, nor shall it be considered to have “distributed”, such funds for the purposes of the Statutes, and the Monitor shall not incur any liability under the Statutes for causing or assisting the Applicants in making any distributions in accordance with this Order or failing to withhold amounts ordered or permitted hereunder, and the Monitor shall not have any liability for any of the Applicants’ tax liabilities regardless of how or when such liabilities may have arisen, and is hereby forever released, remised and discharged from any claims against the Monitor under or pursuant to the Statutes or otherwise at law arising as a result of the distributions contemplated in this Order, and any claims of such nature are hereby forever barred.

APPROVAL OF MONITOR’S ACTIVITIES

16. **THIS COURT ORDERS** that the Third Report of the Monitor and the actions, conduct and activities of the Monitor as set out therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

17. **THIS COURT ORDERS** that the Applicants or the Monitor may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant

representative status to the Monitor in any foreign proceeding or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

19. **THIS COURTS ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without any need for filing or entry.

Schedule “A” – Form of Monitor’s Certificate

Court File No.: CV-25-00735458-00CL

**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 JORIKI TOPCO INC. AND JORIKI
INC.**

(the “**Applicants**”)

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Initial Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated January 28, 2025 (as may be amended and restated from time to time, the “**Initial Order**”), Alvarez & Marsal Canada Inc. was appointed as monitor of the Applicants (in such capacity, the “**Monitor**”) in proceedings commenced by the Applicants under the *Companies’ Creditors Arrangement Act*.

B. Pursuant to the Approval and Vesting Order of the Court dated ●, 2025 (the “**Approval and Vesting Order**”), the Court approved the sale transaction (the “**Forklift Transaction**”) contemplated by a bill of sale between Joriki Inc. (“**Joriki**”), as seller (the “**Seller**”), and Long Way USA Corp., as buyer (the “**Buyer**”), dated ●, 2025 (the “**Forklift Bill of Sale**”), and provided for the vesting in the Buyer of all of the Seller’s right, title and interest in and to all of the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Buyer of this Monitor’s Certificate.

C. Unless otherwise indicated or defined herein, capitalized terms used in this Monitor’s Certificate shall have the meanings given to them in the Approval and Vesting Order and/or the Forklift Bill of Sale.

THE MONITOR CERTIFIES the following:

1. The Buyer has satisfied the Purchase Price for the Purchased Assets in accordance with the Forklift Bill of Sale.

This Certificate was delivered by the Monitor on _____ [DATE].

**ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Monitor of the
Applicants and not in its personal capacity**

Per: _____

Name:

Title:

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

Court File No. CV-25-00735458-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
JORIKI TOPCO INC. AND JORIKI INC.

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER
(Forklift Transaction)

GOODMANS LLP

Barristers & Solicitors
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Toronto, Canada M5H 2S7

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Christopher Armstrong LSO# 55148B
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Erik Axell LSO# 85345O
eaxell@goodmans.ca

Tel: (416) 979-2211

Fax: (416) 979-1234

Lawyers for the Applicants

APPENDIX C
UNREDACTED BILL OF SALE
(CONFIDENTIAL)

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF JORIKI TOPCO INC. AND JORIKI INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

THIRD REPORT OF THE MONITOR

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Counsel for Alvarez & Marsal Canada Inc., solely
in its capacity as Monitor of Joriki TopCo Inc. and
Joriki Inc., and not in its personal or corporate
capacity.