

COURT FILE NUMBER

2601-07148

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

AND IN THE MATTER OF THE COMPROMISE OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MONETTE FARMS LTD., MONETTE FARMS ONTARIO CORP., NEXGEN SEEDS LTD., MONETTE PRODUCE LTD., MONETTE SEEDS LTD., MONETTE LAND CORP., DMO HOLDINGS LTD., DMO HOLDINGS USA, INC., MONETTE SEEDS USA, LLC, MONETTE FARMS ARIZONA, LLC, MONETTE FARMS USA, INC., 1012595 DE INC., MONETTE PRODUCE, LLC, GOAT'S PEAK WINERY LTD., MONETTE FARMS BC LTD., MONETTE FARMS LAND GP LTD., MONETTE FARMS LAND II GP LTD., AND MONETTE FARMS BC GP LTD.



DOCUMENT

FIRST REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

April 29, 2026

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

MONITOR

FTI Consulting Canada Inc.
Suite 1610, 520 Fifth Avenue S.W.
Calgary, AB T2P 3R7
Deryck Helkaa / Dustin Olver / Brett Wilson
Telephone: (403) 454-6031 / (403) 454-6032 / (403) 454-6033
Fax: (403) 232-6116
E-mail: deryck.helkaa@fticonsulting.com
dustin.olver@fticonsulting.com
brett.wilson@fticonsulting.com

COUNSEL

Osler, Hoskin & Harcourt LLP
Suite 2700, Brookfield Place
225 6th Avenue S.W.
Calgary, AB T2P 1N2
Randal Van de Mosselaer
Telephone: (403) 260-7000
Fax: (403) 260-7024
E-mail: rvandemosselaer@osler.com

FIRST REPORT OF THE MONITOR

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INTRODUCTION

1. On April 21, 2026 (the “**Filing Date**”), Monette Farms Ltd., Monette Farms Ontario Corp., Nexgen Seeds Ltd., Monette Produce Ltd., Monette Seeds Ltd., Monette Land Corp., DMO Holdings Ltd., DMO Holdings USA, Inc., Monette Seeds USA, LLC, Monette Farms Arizona, LLC, Monette Farms USA, Inc., 1012595 DE Inc., Monette Produce, LLC, Goat’s Peak Winery Ltd., Monette Farms BC Ltd., Monette Farms Land GP Ltd., Monette Farms Land GP II Ltd., and Monette Farms BC GP Ltd. (the “**Applicants**”), sought and obtained an initial order (the “**Initial Order**”) before the Court of King’s Bench of Alberta (the “**Court**”) seeking certain relief under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”).

2. The Initial Order pursuant to the CCAA provides, among other things, the following relief:
 - (a) declaring that the Applicants are companies to which the CCAA applies;

 - (b) declaring that Monette Farm I LP, Monette Farms Land II LP, and Monette Farms BC LP (together, the “**Non-Applicant Stay Parties**”, and together with the Applicants, the “**Group**”) shall have the same benefit and protections provided to the Applicants as they are related to the Applicants’ business;

 - (c) authorizing the Applicants to remain in possession and control of their current assets, undertakings and properties including all proceeds thereof (the “**Property**”) and carry on business in a manner consistent with the preservation of its business and Property;

 - (d) staying, until and including May 1, 2026, (the “**Stay Period**”), all proceedings, and remedies against the Applicants or its business or Property, except as otherwise set forth in the Initial Order or otherwise permitted by law (the “**Stay of Proceedings**”);

 - (e) appointing FTI Consulting Canada Inc. as monitor (the “**Monitor**”) of the Applicants in these CCAA Proceedings and authorizing and empowering the Monitor to act as the foreign representative (the “**Foreign Representative**”) in respect of these CCAA proceedings for the purpose of having these proceedings recognized under chapter 15 of Title 11 of the

United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “**US Bankruptcy Court**”);

- (f) authorizing the Applicants to continue to use their existing cash management system;
- (g) authorizing the Applicants to pay the reasonable expenses incurred by them in carrying out their business in the ordinary course;
- (h) entitling the Applicants to make payment of all obligations owing in respect of employee wages and benefits and applicable source deductions, whether incurred prior to or after the commencement of the CCAA proceedings;
- (i) granting a charge in favour of the Monitor, its legal counsel, the Applicant’s legal counsel, and the Syndicate’s financial advisor, PricewaterhouseCoopers Inc. (the “**Syndicate’s Financial Advisor**”) in respect of their fees and disbursements, to a maximum amount of \$1.5 million (the “**Administrative Charge**”);
- (j) approving the debtor-in-possession financing facility (the “**DIP Facility**”) to be provided by members of the Syndicate (as defined below, in such capacity, the “**DIP Lenders**”) to finance the Applicants’ working capital requirements and other corporate purposes during the CCAA Proceedings, subject to the terms and conditions set out in the Debtor-in Possession Interim Financing Agreement, between Monette Farms Ltd., and Monette Farms USA, Inc., as borrowers (in such capacity, the “**Borrowers**”), the Group as Guarantors, and the DIP Lenders, as lenders, (the “**DIP Term Sheet**”). The DIP Facility has an initial principal amount of \$40 million available with the ability to borrow up to \$90 million (the “**Maximum Amount**”) upon the satisfaction of certain conditions; and
- (k) granting a charge in favour of the DIP Lenders, to a maximum amount of \$95 million (the “**DIP Lenders’ Charge**”).

3. Also on the Filing Date, the Court granted an Order sealing the confidential affidavit of Darrel Monette, sworn on April 17, 2026 (the “**Confidential Affidavit**”), until the earlier of one year from the termination of the CCAA Proceedings or further order of this Court.
4. On April 21, 2026, the Monitor as the authorized foreign representative of the Group, initiated proceedings with the US Bankruptcy Court seeking, (i) recognition of the Monitor as Foreign Representative, (ii) recognition of the CCAA Proceedings as the foreign main proceedings, (iii) recognition and enforcement of the Initial Order and (iv) granting certain other ancillary relief.
5. On April 22, 2026, the US Bankruptcy Court held a hearing and on April 24, 2026, granted the relief requested, subject to certain modifications. The U.S. Bankruptcy Court also approved the joint administration of the Chapter 15 Cases.
6. On April 24, 2026, the US Bankruptcy Court granted a preliminary injunction and temporary restraining order, recognizing the Initial Order on a preliminary basis and granting a US lien under the Bankruptcy Code for the benefit of the DIP Lenders and recognizing the Monitor as Foreign Representative (the “**Preliminary Relief Order**”). The US Bankruptcy Court also granted an order scheduling the recognition hearing for May 14, 2026, and specifying the form and manner of service and notice (the “**US Recognition Scheduling Order**”).
7. On April 28, 2026, the Applicants filed a notice of application with this Court returnable on May 1, 2026, seeking:
 - (a) an amended and restated Initial Order (the “**ARIO**”) which will provide for:
 - (i) an extension of the Stay Period until and including June 19, 2026; and
 - (ii) an increase in the maximum authorized borrowings available under the DIP Facility from \$40 million to \$90 million; and
 - (b) a sale approval and vesting order (the “**Hafford SAVO**”) approving the sale transaction (the “**Hafford Transaction**”) contemplated by an agreement of purchase (the “**Hafford PSA**”) and sale between Monette Farms Ltd. and Monette Farms Land II LP (collectively,

the “Sellers”) and G and K Walter Farms and Harvest Ltd. and/or its nominee (the “Hafford Purchaser”) dated March 9, 2026 with respect to the sale of certain lands listed in the Hafford PSA (the “Hafford Lands”).

8. Electronic copies of all materials filed by the Applicants in connection with the Applicants’ May 1, 2026 application (the “Comeback Application”) and other statutory materials are available on the Monitor’s website at: <http://cfcanada.fticonsulting.com/MonetteFarms/>.

PURPOSE

9. FTI has reviewed the Court materials filed by the Applicants in support of the Initial CCAA Application and the Comeback Application. The purpose of this report (this “Report”) is to provide this Honourable Court and the Applicants’ stakeholders with information and the Monitor’s comments with respect to the following:
 - (a) background information with respect to the Applicants and update on the Applicants’ operations;
 - (b) a summary of the Monitor’s activities since the granting of the Initial Order;
 - (c) an update of the Applicants’ borrowings under the DIP Facility approved by the Court under the Initial Order;
 - (d) the Monitor’s comments with respect to the FCC Priority Collateral (as such term is defined in the Initial Order);
 - (e) the Monitor’s comments with respect to the Hafford Transaction;
 - (f) the Monitor’s view on the Applicants’ request for certain relief in the ARIO, including, among other things:
 - (i) extending the Stay Period up to and including June 19, 2026;

- (ii) an increase in the maximum principal amount available under the DIP Facility from \$40 million to \$90 million; and
 - (iii) confirming the amount and priority of the Administrative Charge, the DIP Lenders' Charge, and the Director's Charge sought by the Applicants.
10. This Report should be read in conjunction with the Affidavit of Darrel Monette, sworn on April 28, 2026 (the "**Second Monette Affidavit**").

TERMS OF REFERENCE

11. Capitalized terms used but not defined herein are given the meaning ascribed to them in the Second Monette Affidavit and the Initial Order.
12. In preparing this Report, the Monitor has relied upon unaudited financial information, other information available to the Monitor and, where appropriate, the Applicants' books and records and discussions with various parties (collectively, the "**Information**").
13. Except as described in this Report:
- (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*;
 - (b) the Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*; and
 - (c) future oriented financial information reported or relied on in preparing this Report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.

14. The Monitor has prepared this Report in connection with the Applicants' Comeback Application. This Report should not be relied on for other purposes.
15. Information and advice described in this Report that has been provided to the Monitor by its legal counsel, Osler, Hoskin & Harcourt LLP (the "**Monitor's Counsel**"), was provided to assist the Monitor in considering its course of action, is not intended as legal or other advice to, and may not be relied upon by, any other person.
16. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

BACKGROUND INFORMATION

17. The Group's business, operations and financial performance and the causes of its insolvency are detailed in the Affidavit of Darrel Monette sworn on April 17, 2026 (the "**First Monette Affidavit**"), a copy of which is available on the Monitor's website. The comments below are intended to provide a summary of the background of the CCAA Proceedings.
18. The Group, comprised of eighteen companies and three limited partnerships, is a privately owned agricultural enterprise with operations in Alberta, British Columbia, Saskatchewan, Manitoba, Arizona, Montana and Colorado. Since beginning as a family farm in 1912, the Group has grown into one of the largest private farming operations in North America operating on owned and leased farmland land of over 500,000 acres.
19. The Applicants' business, at a high level, can be broken down into four main business segments, or "pillars": grain, cattle, produce and seeds (the "**Farm Operations**"):
 - (a) farming operations are focused on grain production, primarily canola, wheat and durum which accounted for approximately 50% of revenue in 2025. Grain is the largest 'pillar' in the Farm Operations in terms of both revenue and geographic footprint;
 - (b) cattle ranching with herd breeding in British Columbia and feedlots in Alberta and Saskatchewan that accounted for approximately 17% of revenue in 2025;

- (c) seed processing occurring at two facilities located in Swift Current, Saskatchewan, and a third in Tonopah, Arizona. Approximately 50% of seed processing capacity is allocated to supporting the grain segment and seed processing accounted for approximately 16% of revenue in 2025; and
- (d) farming operations (primarily in Saskatchewan, British Columbia and Arizona) that generate seasonal produce crops including carrots, squash, broccoli, cabbage, pumpkin, cauliflower and watermelon, and accounted for approximately 15% of revenue in 2025.

ACTIVITIES OF THE MONITOR

- 20. The Monitor worked in consultation with the Applicants' management and critical operations to ensure essential services could be procured and that Farm Operations continued in the normal course with as little disruption as possible. The Monitor observed the Applicants' management and staff working diligently to maintain the status quo and communicate promptly with stakeholders regarding the CCAA Proceedings.
- 21. Pursuant to the Initial Order, the Monitor has:
 - (a) established the Monitor's website;
 - (b) made a copy of the Initial Order and motion materials available on the Monitor's website;
 - (c) sent, in the prescribed manner, a notice to every known creditor at the Filing Date and prepared a list of the names and addresses of creditors and estimated amount of those claims, and made the list publicly available on the Monitor's website;
 - (d) arranged for the publication of a notice containing the information prescribed under the CCAA in the *Globe & Mail*, *Calgary Herald*, and *Regina Leader Post*; and
 - (e) issued Form 1 and 2 notices to the Office of the Superintendent of Bankruptcy in the prescribed form as required under section 23(1)(f) of the CCAA.

22. The Monitor has also performed the following tasks:
- (a) monitored the Applicants' financing and engaged in review and discussions with the Applicants with respect to their operations, vendor disbursements, and requirements under the DIP Term Sheet;
 - (b) engaged in discussions with various stakeholders and creditors in connection with the Applicants and these CCAA Proceedings;
 - (c) set up a process to monitor and review the Applicants' cash disbursements, receipts and track actual results versus the cash flow forecast;
 - (d) completed a security review of FCC security over the FCC Priority Collateral;
 - (e) engaged in discussions with the Applicants and their legal counsel with respect to the Hafford Transaction;
 - (f) commenced discussions regarding the design of a sale and investment solicitation process ("SISP"); and
 - (g) prepared this report.

BORROWINGS UNDER THE DIP FACILITY

23. As discussed in the pre-filing report of the Monitor dated April 18, 2026, the Applicants were in urgent need of funding to commence seeding operations for the 2026 growing season and continue the Farm Operations.

24. Following the granting of the Initial Order, the Applicants made an initial drawdown request under the DIP Facility in the amount of \$40 million (the “**Initial Advance**”) to make critical payments to suppliers for seeds, fertilizer and chemical to commence the seeding process. The Initial Advance was consistent with the the Applicants’ statement of projected cash flow (the “**Cash Flow Statement**”) for the 10-day period ending May 1, 2026, and the 13-week period from April 18, 2026, to July 17, 2026 (the “**Forecast Period**”). The Cash Flow Statement is appended as Appendix “A” for reference.
25. The Preliminary Relief Order applied for on April 22, 2026, was not granted until April 24, 2026, and was granted on terms that were different than originally contemplated and contained terms which were not acceptable to the DIP Lenders to allow them to advance financing under the DIP Facility. Due to the urgent need for the Initial Advance, the Group and the DIP Lenders agreed to enter into a waiver agreement (the “**Waiver**”) to ensure the Group would receive the Initial Advance to commence seeding operations in Canada.
26. The Waiver became effective shortly after the Preliminary Relief Order was granted, and the Initial Advance of \$40 million (less fees owing to the DIP Lenders, their legal counsel and Syndicate’s Financial Advisor) was received on April 24, 2026. The Waiver required the Initial Advance to be ‘ring-fenced’ in Canada and so no inter-company transfers have been allowed to occur from the Initial Advance pending recognition of the ARIO by the US Bankruptcy Court. The Monitor has been working with the Applicants to adhere to the Waiver and to also understand any critical payments that may be required for operations in the United States. The Applicants, the Monitor, the DIP Agent and the Syndicate’s Financial Advisor have had discussions about potential solutions if funds are required prior to the ARIO being recognized by the US Bankruptcy Court, including a potential further waiver to accommodate funds being sent to the US.

27. As of the date of this Report there have not been any material changes to the Applicants' receipts and disbursements and Cash Flow Statement. A summary of the Cash Flow Statement is provided below:

Monette Farms et al
Consolidated Weekly Cash Flow Forecast
 April 18, 2026 to July 17, 2026

<i>CAD millions</i>	Apr 18 to Jun 19	Jun 20 to Jul 17	Forecast Period
Operating receipts	\$ 28.5	\$ 33.2	\$ 61.7
Operating disbursements	(101.6)	(20.9)	(122.4)
Net change in cash from operations	(73.1)	12.3	(60.7)
Senior Secured Debt Interest	(10.4)	(8.8)	(19.2)
Restructuring costs	(6.3)	(2.0)	(8.4)
DIP Facility (net of repayments)	89.7	(1.4)	88.2
Total net change in cash flow	(0.1)	0.0	(0.1)
Opening cash	2.1	2.0	2.1
Total net change in cash flow	(0.1)	0.0	(0.1)
Ending cash	\$ 2.0	\$ 2.0	\$ 2.0

28. The Cash Flow Statement indicates that, during the Stay Period the Applicants will have a net cash loss from operations of \$73.1 million with total receipts of approximately \$28.5 million, and total disbursements of approximately \$101.6 million which includes critical input costs (fertilizer, chemical, and seed) of \$53.7 million, interest under the Senior Facilities Agreement of \$10.4 million and restructuring costs of \$6.3 million inclusive of professional fees and fees under the DIP Facility.
29. During the Forecast Period, the Applicants will have a net cash loss from operations of \$60.7 million with total receipts of approximately \$61.7 million, and total disbursements of approximately \$122.4 million including critical input costs (fertilizer, chemical, and seed) of \$62.0 million, interest under the Senior Facilities Agreement of \$19.2 million and restructuring costs of \$8.4 million inclusive of professional fees and fees under the DIP Facility.

30. A net cash loss is expected for the Group due to the seasonality of the farming business, as substantial costs are incurred in the spring when crops are being seeded and the large cash inflows come in the fall/winter when crops are harvested and sold. The Cash Flow Statement demonstrates the need for the full amount of the \$90 million DIP Facility.

FCC PRIORITY COLLATERAL

31. The DIP Facility provides for the use of funds to pay amounts owing to Farm Credit Canada (“FCC”) pursuant to the Loan and Security Agreement (Livestock), dated December 4, 2024 (the “FCC Loan Agreement”), in respect of certain personal property (the “FCC Priority Collateral”) over which FCC holds first ranking security interests (the “FCC Security”).
32. The Initial Order provided that, should the Group sell any FCC Priority Collateral, the Group is authorized and directed, subject to the Monitor being satisfied that FCC has valid senior ranking security in respect of any of the FCC Priority Collateral, to distribute such proceeds to FCC through such payment arrangements as directed by FCC.
33. The Monitor’s Counsel reviewed the security underlying the FCC Security and concluded that, subject to the standard and customary assumptions, FCC has valid senior ranking security in respect of the FCC Priority Collateral. As a result, the Applicants and FCC have agreed to a payment arrangement that will result of the repayment of amounts owing to FCC upon the sale of the FCC Priority Collateral, as reflected in the Cash Flow Statement.
34. As of the date of this Report, the estimated amount owing to FCC is approximately \$4.7 million.

HAFFORD TRANSACTION

35. As described in the First Monette Affidavit, prior to the Filing Date, the Group engaged in sales efforts to sell some of its Property to reduce its indebtedness. As a result of these efforts three sales transaction were entered into prior to the Filing Date. One of the sales transactions was the Hafford PSA which was anticipated to close on April 30, 2026.

36. Since the Hafford Transaction did not close prior to the granting of the Initial Order, the Applicants are seeking approval of the Court to complete the transaction.
37. The Hafford Transaction was the result of the Group's extensive marketing and sales process (which is discussed beginning at paragraph 153 of the First Monette Affidavit), was conducted prior to the Filing Date, and included public notification on the Group's website and resulted in over 50 expressions of interest for the Group's various properties, including two offers for the Hafford Lands.
38. The purchase price in the second offer was conditional and below that contained in the Hafford PSA and therefore, the Hafford Transaction represents that best purchase price available in the circumstances.
39. In the Monitor's view the Hafford Transaction represents fair value for the Hafford Lands, as supported by the third-party appraisals included in the Confidential Affidavit. The Monitor also understands that the Syndicate has consented to the Hafford Transaction.
40. A copy of the Hafford PSA is attached to the Second Monette Affidavit.

RELIEF SOUGHT IN THE ARIO

Increase in DIP Facility

41. As demonstrated by the Cash Flow Statement, the Applicants are in immediate need of funding and are therefore seeking approval to increase the maximum amount available under the DIP Facility from \$40 million to \$90 million, subject to the terms and conditions set out in the DIP Term Sheet.
42. The liquidity provided under the DIP Facility will allow the Applicants to carry on with their farming operations and generate significant revenue attributable to the 2026 growing season which is expected to be in excess of the DIP Facility. Without the availability of DIP Facility, there would

be a deterioration in the value of the Farm Operations and the real property which would be detrimental to all stakeholders.

43. In the Monitor's view:

- (a) an increase to the DIP Facility does not materially prejudice any existing stakeholders and the increase to the DIP Facility is necessary to fund the Applicants' Farm Operations, asset preservation and restructuring efforts;
- (b) the financing contemplated by the DIP Term Sheet is necessary to fund the Applicants' operations and restructuring and will enhance the Applicants' prospect of achieving a viable restructuring outcome or sale. Absent the funding available under the DIP Term Sheet, the Group would be forced to cease substantially all Farm Operations due to lack of liquidity;
- (c) based on the projected Cash Flow Statement, the Applicants are expected to have sufficient liquidity through the Stay Period to allow the Group to complete its overall restructuring proceedings; and
- (d) the Applicants have the support of the Syndicate as evidenced by the support of the CCAA Proceedings and willingness to provide the DIP Facility.

Extending the Stay Period

44. The Applicants are seeking an extension of the Stay Period up to and including June 19, 2026. The Monitor has considered the Applicants' application for the extension of the Stay Period and has the following comments:

- (a) with an increase in the DIP Facility the Applicants are projected to have sufficient liquidity available to fund ongoing obligations and the costs of the CCAA Proceedings during the term of the proposed extension to the Stay Period;
- (b) there will be no material prejudice to the Applicants' creditors and other stakeholders as a result of the extension to the Stay Period;

- (c) the Applicants are acting in good faith and with due diligence;
- (d) the overall prospect of the Applicants effecting a viable restructuring and/or sale will be enhanced by the extension of the Stay Period; and
- (e) the extension of the Stay Period will provide sufficient time for the Applicants to design the SISP, consult with key stakeholders regarding the SISP, and return to Court for approval of the SISP (which is required under the DIP Term Sheet to be within 45 calendar days of the granting of the ARIO).

Amount and Priority of Court Ordered Charges

Administration Charge

- 45. The Initial Order provided for a charge in the amount of up to \$1.5 million (the “**Administration Charge**”), covering the period until the Comeback Hearing charging the assets of the Applicants, in favour of the Monitor, the Monitor’s Counsel, the Applicants’ legal counsel and the Syndicates’ Financial Advisor, as security for their professional fees and disbursements incurred both before and after the commencement of the CCAA Proceedings. The Applicants are not seeking an increase to the Administration Charge at the Comeback Application.
- 46. The Monitor has reviewed (i) the underlying assumptions upon which the Applicants have based the quantum of the proposed Administration Charge, (ii) the anticipated complexity of the CCAA Proceedings and the services to be provided by the beneficiaries of the Administration Charge (including the requirement to seek a recognition order under chapter 15 of the US Bankruptcy Code) and is of the view that the proposed quantum of the Administration Charge is reasonable and appropriate in the circumstances.
- 47. The Monitor believes it is appropriate for the beneficiaries to be afforded the protection of the Administration Charge as they will be undertaking a necessary and integral role in the CCAA Proceedings.

DIP Charge

48. It is a condition of the DIP Term Sheet that the Applicants obtain the DIP Charge pursuant to the Initial Order over all of the present and future assets, property and undertaking of the Applicants, in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, subject only to the Administration Charge and certain other Permitted Priority Liens. The DIP Charge will secure all obligations owing to the DIP Lenders under the DIP Facility.
49. The Monitor is of the view that the DIP Facility represents the necessary financing which will allow the Applicants to pay certain critical payables and maintain ongoing operations.
50. The Monitor recommends that the Court approve the increase to the DIP Facility and accordingly, after consideration of the factors contained in s. 11.2(4) of the CCAA also supports the granting of the DIP Charge.

Director's Charge

51. The Initial Order provides for the charge over the Applicants' property in favour of the directors and officers of the Applicants as security for the indemnity contained in the Initial Order in respect of specified obligations and liabilities that the directors and officers may incur after the commencement of the CCAA Proceeding (the "**Director's Charge**"). The Director's Charge will not exceed an aggregate amount of \$1,500,000. The Applicants are not seeking an increase to the Director's Charge at the Comeback Application.
52. As described in the First Monette Affidavit, the Applicants do not maintain any insurance coverage for the directors and officers to cover the potential statutory liabilities of the beneficiaries of the Director's Charge.
53. The Director's Charge has been sized based on potential obligations that could give rise to Director's liability considering projected employee wages, other employee-related liabilities

(source deductions) and GST/HST. The proposed Director's Charge is based on two weeks of such liabilities, and the calculation methodology is consistent with other CCAA proceedings.

54. The Applicants' directors and officers have the necessary background and knowledge that will be beneficial to the Applicants' efforts to preserve value and maximize recoveries for stakeholders through completion of the CCAA Proceedings.
55. The Monitor is of the view that the amount of the Director's Charge is reasonable in relation to the quantum of the estimated potential liability of the Applicants' directors and officers.

Summary of the Proposed Rankings of the Court-Ordered Charges

56. If the ARIO is granted, the Charges would have the following ranking:
 - (a) First – the Administration Charge in the maximum amount of \$1.5 million;
 - (b) Second – the DIP Charge in the maximum amount of \$95 million; and
 - (c) Third – the Director's Charge in the maximum amount of \$1.5 million.
57. The Monitor believes that the Charges, including their proposed quantum and ranking, are required and reasonable in the circumstances of these CCAA Proceedings to preserve the going-concern operations of the Applicants and to maintain their enterprise value and, as a result, supports the granting of the granting of Charges as proposed by the Applicants.

CONCLUSIONS AND RECOMMENDATIONS

58. The Monitor is of the view that the assumptions and projections underlying the Applicants' Cash Flow Statement are reasonable and that the DIP Facility is sufficient to fund the Applicants' operations though the initial Stay Period and throughout the Forecast Period.
59. The Monitor is of the view that the relief requested by the Applicants pursuant to the ARIO is necessary, reasonable, and justified in the circumstances. The ARIO and Stay of Proceedings will provide the Applicants with stability and the best opportunity to preserve value and maximize recoveries for its stakeholders.
60. Accordingly, the Monitor respectfully recommends that the Applicants' request for the ARIO and the Hafford SAVO be granted.

All of which is respectfully submitted this 29th day of April 2026.

**FTI Consulting Canada Inc. in its capacity as
Monitor of the Applicants and not in its
personal or corporate capacity**



Name: Deryck Helkaa, CPA, CA, CIRP, LIT
Title: Senior Managing Director,
FTI Consulting Canada Inc.



Name: Dustin Olver, CPA, CA, CIRP, LIT
Title: Senior Managing Director,
FTI Consulting Canada Inc.

Appendix “A” – Cash Flow Statement

Monette Farms et al
Consolidated Weekly Cash Flow Forecast
April 18, 2026 to July 17, 2026

CAD million	Notes	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Total
Week #		1	2	3	4	5	6	7	8	9	10	11	12	13	
Week Ending		4/24/2026	5/1/2026	5/8/2026	5/15/2026	5/22/2026	5/29/2026	6/5/2026	6/12/2026	6/19/2026	6/26/2026	7/3/2026	7/10/2026	7/17/2026	7/17/2026
Operating Receipts															
Grain		\$ 2.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 3.1	\$ 3.1	\$ 3.1	\$ 16.6
Seeds		0.2	0.7	0.7	0.7	0.7	0.7	0.3	0.3	0.3	0.3	0.3	0.2	0.2	5.9
Net Cattle Sales		4.6	0.0	4.6	-	-	1.0	-	-	-	6.9	2.8	-	8.5	28.4
Produce		0.9	0.8	0.8	0.8	0.8	0.8	0.6	0.6	0.6	0.6	0.9	0.9	0.9	10.0
Other Receipts		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8
Total Operating Receipts	1	8.0	1.9	6.5	1.9	1.9	2.9	1.8	1.8	1.8	8.7	7.2	4.3	12.8	61.7
Operating Disbursements															
Cost of goods sold	2	(24.3)	(2.1)	(17.8)	(6.5)	(0.6)	(0.6)	(5.5)	(0.6)	(0.6)	(2.1)	(0.5)	(1.4)	(8.3)	(70.6)
Direct Operating Expenses	3	(3.3)	(4.1)	(5.0)	(4.1)	(5.2)	(1.2)	(2.2)	(1.2)	(3.1)	(1.2)	(2.0)	(1.2)	(2.0)	(35.9)
Operating Overhead	4	(4.8)	(1.3)	(0.9)	(0.9)	(0.9)	(1.1)	(0.5)	(0.3)	(0.3)	(0.5)	(0.5)	(0.3)	(0.3)	(13.0)
General AP/Visa	5	(1.0)	-	-	-	-	-	-	-	-	-	-	-	-	(1.0)
Capex	6	-	(1.0)	-	-	-	(0.5)	-	-	-	-	-	(0.5)	-	(2.0)
Total Operating Disbursements		(33.4)	(8.5)	(23.7)	(11.5)	(6.7)	(3.3)	(8.2)	(2.1)	(4.0)	(3.8)	(3.0)	(3.4)	(10.7)	(122.4)
Operational Cash Flow		(25.4)	(6.6)	(17.3)	(9.6)	(4.8)	(0.4)	(6.4)	(0.3)	(2.2)	4.9	4.2	1.0	2.2	(60.7)
Non-Operational Items															
Senior Secured Debt Interest	7	-	(5.2)	-	-	-	-	(5.2)	-	-	-	(8.8)	-	-	(19.2)
DIP Facility Interest/Fees	8	(1.1)	(0.0)	-	-	-	(0.4)	-	-	-	(0.6)	-	-	-	(2.1)
Restructuring Fees	8	(1.6)	-	(1.9)	-	-	-	(1.3)	-	-	-	-	-	(1.5)	(6.2)
Asset sales	9	7.0	-	-	-	-	29.0	-	-	-	-	-	-	-	36.0
Capital Facility draws/(repayments)	9	(7.0)	-	-	-	-	(29.0)	-	-	-	-	-	-	-	(36.0)
DIP Facility draws/(repayments)	10	28.0	11.8	19.1	9.6	4.8	0.9	12.9	0.3	2.2	(4.4)	4.6	(1.0)	(0.7)	88.2
Total Non-Operational Items		25.3	6.6	17.3	9.6	4.8	0.4	6.4	0.3	2.2	(4.9)	(4.2)	(1.0)	(2.2)	60.6
Net Cash Flow		(0.1)	-	-	-	-	-	-	-	-	-	-	0.0	-	(0.1)
Opening Available Cash	11	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1
Net Cash Flow		(0.1)	-	-	-	-	-	-	-	-	-	-	0.0	-	(0.1)
Ending Available Cash		\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0
Opening DIP Facility balance		-	28.0	39.8	59.0	68.6	73.4	74.3	87.2	87.5	89.7	85.3	89.9	89.0	-
DIP Facility draws/(repayments)		28.0	11.8	19.1	9.6	4.8	0.9	12.9	0.3	2.2	(4.4)	4.6	(1.0)	(0.7)	88.2
Closing DIP Facility balance		\$ 28.0	\$ 39.8	\$ 59.0	\$ 68.6	\$ 73.4	\$ 74.3	\$ 87.2	\$ 87.5	\$ 89.7	\$ 85.3	\$ 89.9	\$ 89.0	\$ 88.2	\$ 88.2

Consolidated Cash Flow of Monette Farms et al

Notes to the Statement of Cash Flow for the 13-Week period ending July 17, 2026

Purpose and General Assumptions of the Cash Flow Statement

Monette Farms Ltd., Monette Farms Ontario Corp., Nexgen Seeds Ltd., Monette Produce Ltd., Monette Seeds Ltd., Monette Land Corp., DMO Holdings Ltd., DMO Holdings USA, Inc., Monette Seeds USA, LLC, Monette Farms Arizona, LLC, Monette Farms USA, Inc., 1012595 DE INC., Monette Produce, LLC, Goat's Peak Winery Ltd., Monette Farms BC Ltd., Monette Farms Land GP Ltd., Monette Farms Land GP II Ltd., and Monette Farms BC GP Ltd. (collectively, the "**Group**" or the "**Applicants**") have prepared this cash flow statement and the accompanying notes (collectively, the "**Cash Flow Statement**"). The Applicants have prepared the Cash Flow Statement on a consolidated basis based on probable and hypothetical assumptions that reflect the Applicants' planned course of action for the period from April 18, 2026, to July 17, 2026 (the "**Forecast Period**"). The Applicant's management ("**Management**") is of the opinion that, as at the date of filing the Cash Flow Statement, the assumptions used to develop the projection represent the most probable set of economic conditions facing the Applicants and that the assumptions used proved a reasonable basis for and are consistent with the purpose of the Cash Flow Statement. This Cash Flow Statement should not be used for any other purpose, and creditors are cautioned that the information provided in the Cash Flow Statement could vary based on changing future circumstances.

It is assumed that all amounts owing prior to the CCAA proceedings are stayed. Post-filing payments are to be made in normal course.

Disbursements are based on historical run-rates and input from Management.

The projected Cash Flow Statement is prepared in Canadian dollars.

Hypothetical and Probable Assumptions of the Cash Flow Statement

1. Operating receipts generated by the Group's farming operations and include (i) revenues generated from the sale grain inventories remaining from the 2025 crop year, (ii) seed revenue from the Group's seed processing and seed cleaning business, (iii) cattle sales from the sale of feeder cattle in the normal course and also the sale of a portion of the Group's breeding herd to generate cash flow and (iv) the sale of remaining produce inventory from the 2025 crop year and winter produce crops in Arizona. The pricing for the sales is based on current commodity prices and contracted prices, where applicable.
2. Cost of goods sold includes the Group's primary farm input costs (fertilizer, chemical and seed). It is assumed that the majority of these costs are incurred in the first three weeks of the Forecast Period for seeding the 2026 crop at the end of April. It also includes the cost of bags, totes and packing and freight costs to transport the Group's product to market.
3. Direct Operating expenses include costs paid for custom farming (the majority of which is incurred in Arizona for produce crops), equipment rental and lease expenses (including lease payments to John Deere), fuel and lubrication associated with seeding the 2026 crop and wages and benefits.
4. Operating overhead includes the cost of the Group's corporate insurance premiums, lease and crop share payments to third parties for rented acres, property taxes and professional services fees associated with the Group's operations.
5. General AP/Visa includes other miscellaneous expenses and estimated costs associated with the Group's Visa cards including the cash collateralization of amounts required under the DIP Term Sheet.
6. Capex associated with ongoing projects required to meet the Group's revenue projects for 2026.
7. Interest costs apply only to the Group's Senior Facilities Agreement that continue to accrue interest on outstanding borrowings on a monthly basis.
8. Restructuring costs consist of professional fees to be incurred as part of the CCAA Proceedings including the Applicants' legal counsel, the Monitor, the Monitor's legal counsel, the DIP Lender's counsel and the DIP Lenders Financial Advisor. These costs reflect forecast professional time and may vary depending on the complexity of the CCAA proceedings and the involvement of each individual professional firm involved. The

assumptions also include the expected catch-up payments toward outstanding arrears owed by the Applicants’.

9. Asset sales relating to existing sales transactions expected to close within the Forecast Period and contemplated to be repaid under the Capital Facility pursuant to the DIP Term Sheet.
10. Draws and repayments under the DIP Facility required to fund the Applicants’ operations during the Forecast Period.
11. Opening cash is expected to be \$2.1 million for the Group as at April 18, 2026.

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