

COURT FILE NUMBER

KBG-SA-1435- 2025

Clerk's Stamp

COURT

COURT OF KING'S BENCH FOR
SASKATCHEWAN

JUDICIAL CENTRE

SASKATOON

APPLICANTS

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

AND IN THE MATTER OF AGRACITY CROP &
NUTRITION LTD., MPOWER LOGISTICS LTD.
NEWAGCO INC., CARBONTERRA LTD.,
AGRONOMAX FARM MANAGEMENT SOLUTIONS
INC., 14492676 CANADA INC., VIKING CROP
PRODUCTION PARTNERS INC., 101114752
SASKATCHEWAN LTD., 101072497
SASKATCHEWAN LTD., CATALYST
TECHNOLOGIES LTD., GENESIS GRAIN &
FERTILIZER GP INC., GENESIS OPERATING GP
INC., 101187148 SASKATCHEWAN LTD., FNA
AGRACITY HOLDINGS LTD.,

DOCUMENT

**FIRST REPORT OF ERNST & YOUNG INC. IN ITS
CAPACITY AS THE MONITOR OF THE APPLICANTS**

December 9, 2025

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

MONITOR

ERNST & YOUNG INC.
Calgary City Centre
2200, 215 2nd Street SW
Calgary, AB T2P 1M4
Attention: Peter Chisholm / Josh Heagy
Telephone: (403) 206-5061 / (403) 206-5070
Fax: (403) 206-5075
Email: peter.chisholm@parthenon.ey.com
joshua.heagy@parthenon.ey.com

MONITOR'S COUNSEL

MCDUGALL GAULEY LLP
Paul Fedoroff / Craig Frith
500 – 616 Main Street
Saskatoon, SK S7H 0J6
Phone: (306) 665-5405 / (306) 665-5432
Fax: (306) 652-1323
Email: pfedoroff@mcdougalgauley.com
cfrith@mcdougalgauley.com

TABLE OF CONTENTS OF THE FIRST REPORT OF THE MONITOR

INTRODUCTION..... 3

PURPOSE..... 4

TERMS OF REFERENCE AND DISCLAIMER..... 5

BACKGROUND 6

ACTIVITIES OF THE MONITOR SINCE THE FILING OF THE PRE-FILING REPORT..... 6

FINANCIAL STATE OF THE AGRACITY GROUP..... 7

PROJECTED CASH FLOW STATEMENT 9

AMENDED AND RESTATED INITIAL ORDER 11

MONITOR'S COMMENTS ON APPLICANTS PROPOSED SISF 19

CONCLUSIONS AND RECOMMENDATIONS..... 24

APPENDICES

SUMMARY OF APPLICANTS APPENDIX A

AGRACITY GROUP ORGANIZATIONAL CHART APPENDIX B

ACTUAL TO FORECAST VARIANCE ANALYSIS (CFS#1)..... APPENDIX C

PROJECTED CASH FLOW STATEMENT (CFS#2) APPENDIX D

EY'S STATUTORY REPORT ON THE COMPANIES (CFS#2)APPENDIX E

INTRODUCTION

1. On November 27, 2025, the Applicants and the Genesis Entities (as those terms are defined in Appendix 'A' hereto) made an application for an initial order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-26 (the "**CCAA**"). The application in respect of the Genesis Entities was opposed by the Business Development Bank of Canada ("**BDC**"), which was seeking an order to appoint a receiver over the assets, undertakings, and properties of the Genesis Entities subject to BDC's security on an application returnable on November 28, 2025 (the "**BDC Receivership Application**").
2. In a fiat dated November 27, 2025, the Honourable Justice R.S. Smith held that:
 - a. in light of BDC's opposition, the Genesis Entities were to be removed from the application for an initial order under the CCAA but remain part of the BDC Receivership Application;
 - b. the BDC Receivership Application would be heard on November 28, 2025; and
 - c. if the Applicants still wish to obtain a CCAA initial order, they had leave to submit a revised draft order for Justice Smith's review, provided that the Genesis Entities were removed.
3. On November 28, 2025, the Court heard and reserved its decision on the BDC Receivership Application. The Monitor understands that that decision remains under reserve as at the date of this first report of the Monitor (the "**First Report**").
4. On December 1, 2025, the Applicants were granted an initial order for protection pursuant to the CCAA (the "**Initial Order**").
5. The Initial Order appointed Ernst & Young Inc. ("**EY**" or the "**Monitor**") in the CCAA proceedings and established a stay of proceedings in favour of the Applicants up to and including December 11, 2025 (the "**Stay Period**").
6. The Applicants have scheduled a comeback hearing (the "**Comeback Hearing**") on December 11, 2025, at which time the Monitor understands they will be seeking:
 - a. an Amended and Restated Initial Order ("**ARIO**"); and
 - b. a SISP Order (as defined herein).

PURPOSE

7. The purpose of this First Report of the Monitor is to provide this Honourable Court and the Applicants' and the Genesis Entities' (collectively, the "**AgraCity Group**") stakeholders with information and the Monitor's comments with respect to the following:
 - a. an update on the activities of the Monitor since the Pre-Filing Report;
 - b. a forecast-to-actual analysis prepared by Management comparing the Applicants' forecasted cash flows for the period of November 22, 2025 to December 5, 2025, as outlined in CFS#1 to the actual results for this same period;
 - c. the AgraCity Group's cash flow statement (the "**CFS#2**") for the thirteen-week period ending March 6, 2025 (the "**CFS#2 Forecast Period**") and the key assumptions on which the CFS#2 is based;
 - d. the AgraCity Group's request for the following relief as per the draft ARIO:
 - i. the inclusion of the Genesis Entities within the ambit of the stay of proceedings;
 - ii. the proposed extension of the Stay Period up to and including March 6, 2025 (the "**Proposed Stay Extension Date**");
 - iii. the approval of the interim financing term sheet (the "**Interim Financing Term Sheet**") between the AgraCity Group and United Farmers of Alberta Co-operative Limited ("**UFA**" and in such capacity, the "**Interim Lender**") as of December 8, 2025;
 - iv. the granting of the following court-ordered charges on the Property (as defined in the ARIO):
 1. an increase to the administration charge in favour of the Monitor, its counsel, and the AgraCity Group's counsel, from \$500,000 to \$1.0 million (the "**Administration Charge**");
 2. an interim financing charge in favour of the Interim Lender which shall not exceed the Interim Financing Obligations, as defined in the Interim Financing Term Sheet (the "**Interim Lender's Charge**");
 3. a charge in favour of the directors and officers of the company in the amount of \$250,000 to indemnify them against liabilities they may incur as directors and officers during the CCAA Proceedings (the "**D&O Charge**"); and

4. a charge securing the Key Employee Retention Plan (“**KERP**”) in favour of certain AgraCity Group employees (collectively, the “**KERP Employees**”) in the amount of \$400,000.
- e. The AgraCity Group’s request for the following relief as per the draft SISP Order:
 - i. The approval of a subscription agreement to be entered into between the AgraCity Group and UFA (in such capacity, the “**Stalking Horse Bidder**”) on December 10, 2025 (the “**Stalking Horse Agreement**”);
 - ii. the granting of the Stalking Horse Charge securing the Bid Protections (as those terms are defined in the SISP Order) in the amount of \$1.0 million; and
 - iii. the approval of the sale and investment solicitation process (the “**SISP**”), including the approval of the engagement of AgraCity Group’s proposed sales advisor, Ernst & Young Orenda Corporate Finance Inc. (the “**Sales Advisor**”);
- f. the Monitor’s recommendations.

TERMS OF REFERENCE AND DISCLAIMER

8. In preparing this First Report, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the AgraCity Group, discussions with management of the AgraCity Group (“**Management**”), and information from other third-party sources (collectively, the “**Information**”).
9. Except as described in this First Report in respect of the CFS#2:
 - 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 such Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
 - b. some of the information in this First Report consists of forecasts and projections, and an examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
10. Future-oriented financial information referred to in this First Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based

upon assumptions about future events and conditions that are not ascertainable, the actual results may vary from the projections, even if the assumptions materialize, and the variations could be significant.

11. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this First Report concerning the AgraCity Group and its businesses is based on the Information, and not independent factual determinations made by the Monitor.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
13. Capitalized terms not defined herein are as defined in the Initial Order, the Pre-Filing Report or other materials filed by the AgraCity Group in connection with the Comeback Hearing.

BACKGROUND

14. As illustrated by the organizational charts described herein, the AgraCity Group does not have a common parent company. Instead, the AgraCity Group is comprised of several highly-integrated entities. An organizational chart of the AgraCity Group is appended hereto as Appendix 'B'.
15. The AgraCity Group operates as a collective business unit in Canada's agriculture industry. Its core business function is to supply crop protection products ("CPP"), specialty fertilizers and other crop inputs directly to Canadian farmers.
16. The affidavits of Jason Mann sworn on November 25, 2025 (the "**Jason Mann Affidavit No. 1**"), November 26, 2025 (the "**Jason Mann Affidavit No. 2**") and December 5, 2025 (the "**Jason Mann Affidavit No. 3**") should be read in conjunction with this First Report and provide further background on the circumstances that led to the CCAA Proceedings and other relevant information.
17. Further information relating to the AgraCity Group and the CCAA Proceedings can be found on the Monitor's website: www.ey.com/ca/AgraCity (the "**Monitor's Website**").

ACTIVITIES OF THE MONITOR SINCE THE FILING OF THE PRE-FILING REPORT

18. Since the Pre-Filing Report, the activities of the Monitor have included:
 - a. coordinating the mailing, publication, and filing of the various notices and documents required under the Initial Order and the CCAA, including:
 - i. the creditor notice pursuant to section 23(1)(a) of the CCAA;
 - ii. a notice of the CCAA proceedings in the Star Phoenix newspaper on December 9 and 16, 2025;

- iii. the prescribed Form 1 and Form 2 notices required under section 23(1)(f) of the CCAA;
and
 - iv. the application materials and other materials required by the Initial Order on the Monitor's Website;
- b. meeting with management on a daily basis to review and comment on proposed cash disbursements, such as purchase orders, new product orders, and insurance related to the Genesis General Partner's assets;
 - c. monitoring, assisting and advising the AgraCity Group with respect to its cash flows, and preparing an analysis of the actual transactions versus the projected amounts noted in CFS #1;
 - d. assisting the AgraCity Group with the development of CFS#2 which is discussed in detail below and appended hereto as Appendix 'D';
 - e. holding discussions with Jason Mann and James Mann, the directors of the various entities comprising the AgraCity Group, regarding the status of the CCAA Proceedings and ongoing activities, including, among others, seeking interim financing and developing the SISP;
 - f. reviewing and assessing interim financing term sheets in consultation with the AgraCity Group and its legal counsel;
 - g. reviewing and providing feedback on the AgraCity Group's proposed SISP;
 - h. participating in numerous discussions with Management, other stakeholders, and their counsel, including BDC and UFA (and their counsel), with respect to the status of the CCAA proceedings generally and specific relief to be sought at the Comeback Hearing; and
 - i. preparing this First Report.

FINANCIAL STATE OF THE AGRACITY GROUP

19. As at the date of this First Report, AgraCity has insufficient cash available to continue operating as a going concern as evidenced by the CFS#1 Forecast-to Actual Analysis. AgraCity has used its available cash since the granting of the Initial Order to settle critical expenditures in order to preserve the value of its business while it pursued a restructuring transaction that would provide sufficient Interim Financing to permit the AgraCity Group to fund its expenses during an extended stay period. Critical expenses funded by the AgraCity Group, in consultation with the Monitor, have included, among other things:

- a. insurance premiums for the Genesis Entities of \$20,489.80;
 - b. sources deductions of \$20,577.32 to be remitted on December 10, 2025 for payroll paid on November 25, 2025;
 - c. salaries and wages owing to certain employees as of November 25 and December, 10, 2025, based on available cash; and
 - d. post-filing payments to vendors for inventory held at port in British Columbia, given the risk of these goods being returned to China.
20. Without access to Interim Financing, the AgraCity Group has continued to postpone settlement of critical expenses including but not limited to, approximately:
- a. \$58,000 of unpaid salaries and wages from the November 25, 2025 payroll cycle;
 - b. \$109,000 of salaries and wages due on December 10, 2025;
 - c. \$360,000 owing to the AgraCity Group's legal counsel, Miller Thomson LLP; and
 - d. \$306,000 owing to the Monitor and the Monitor's legal counsel.

CFS#1 FORECAST-TO-ACTUAL ANALYSIS

21. The Monitor has reviewed the operations and the cash flows of the AgraCity Group since the date of the Initial Order. In addition to holding several meetings and teleconference calls with Management, the Monitor has worked with the AgraCity Group to establish a system as between the Monitor and the AgraCity Group to manage, review and track the AgraCity Group's receipts and disbursements.
22. Appended hereto as Appendix 'C' of this First Report is an analysis of the Applicants' projected versus actual cash flows for the period beginning November 22, 2025, and ending December 5, 2025, prepared by Management with the assistance of the Monitor. Overall, the actual ending consolidated cash position of the Applicants is not significantly different and is higher than projected.
23. The Applicants were unable to secure interim financing through 2011329 Alberta Ltd. as contemplated in CFS#1 given the adjournment of the initial CCAA application and removal of the Genesis Entities from the CCAA Proceedings. Accordingly, certain disbursements have been postponed, including, among other things, the wages of certain employees as determined by Management.
24. The Monitor has reconciled the bank balances of each entity identified by Management against the Applicants' actual transactions.

PROJECTED CASH FLOW STATEMENT

25. The AgraCity Group, in consultation with the Monitor, has prepared CFS#2 which outlines the anticipated cash transactions for the CFS#2 Forecast Period.
26. Appended hereto as Appendix 'D' to this First Report is CFS#2 and the statutory report required by Section 10(2)(b) of the CCAA.
27. In preparing CFS#2, Management has used the following key probable and hypothetical assumptions:
- a. the consolidated projected cash flow statement as detailed in CFS#2 compiles the operating and non-operating entities of the AgraCity Group;
 - b. Management:
 - i. reviewed the AgraCity Group's historical sales and deliveries from 2024;
 - ii. has advised that, based on that information the amounts shown in CFS#2 accurately reflect the normalized sales pattern expected during the CCAA Proceedings;
 - iii. has assumed that the projected cash receipts from new sales will remain consistent with recent historical results, as customer confidence increases upon the fulfillment CPP deliveries to Reconciliation Creditors; and
 - iv. expects to implement a new program, referred to by Management as the cash and carry program, to generate new sales during the CCAA Proceedings;
 - c. should this Honourable Court approve the Interim Financing Term Sheet, Management forecasts significant payments up front for inventory purchases to allow it to continue offering products for new sales and satisfy its obligations under the Reconciliation Protocol;
 - d. should this Honourable Court declare the Genesis Entities to be subject to the CCAA Proceedings, payments for post-filing regularly scheduled principal and interest payments owing to BDC are forecast to be paid;
 - e. intercompany transfers of cash between the Applicants and Genesis Entities are projected to occur during the CFS#2 Forecast Period, and Management will monitor, account for, and reconcile the same amongst the AgraCity Group; and
 - f. CFS#2 incorporates the assumption that all costs and professional fees incurred in relation to these CCAA proceedings will be paid by operations or by the interim financing.

28. As reflected in CFS#2, the AgraCity Group will require interim financing to continue to operate and pay certain expenses and the costs of these CCAA Proceedings. Further details regarding the Interim Financing Term Sheet are discussed below.
29. Pursuant to subsection 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard Practice 9. "Cash-Flow Statement", the Monitor hereby reports as follows:
- a. CFS#2 has been prepared by Management for the purpose described in the notes to CFS#2, using the probable and the hypothetical assumptions set out in the accompanying notes;
 - b. the Monitor's review consisted of inquiries, analytical procedures and discussions related to information supplied by Management and employees of the AgraCity Group;
 - c. the Monitor's procedures with respect to the hypothetical assumptions were limited to evaluating whether they were consistent with the purpose of CFS#1, and the Monitor has also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of CFS#2; and
 - d. based on the Monitor's review, nothing has come to the attention of the Monitor that causes it to believe that, in all material respects:
 - i. the hypothetical assumptions are not consistent with the purpose of CFS#2;
 - ii. as at the date of this First Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for CFS#2, given the hypothetical assumptions;
or
 - iii. CFS#2 does not reflect the probable and hypothetical assumptions.
30. Regardless, since CFS#2 is based on assumptions regarding future events, actual results may vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the projections outlined in CFS#2 will be achieved. The Monitor expresses no opinion or other assurances with respect to the accuracy of any financial information presented in this report or relied upon in preparing this report.
31. CFS#2 has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

AMENDED AND RESTATED INITIAL ORDER

32. The draft ARIIO being presented at the Comeback Application provides for, among other things, the following relief.

Extension of the CCAA Proceedings to include the Genesis Entities

33. The Genesis Entities are involved in the processing and blending of proprietary fertilizer products to be sold directly to Canadian farmers. The Genesis Entities own a fertilizer processing and blending facility in Belle Plaine, Saskatchewan (the “**Genesis Facility**”), BDC holds a first ranking mortgage on the Genesis Facility (the “**BDC Facility**”) and is owed approximately \$7.7 million from the Genesis Entities in relation to the BDC Facility.

34. Management has advanced negotiations with the Stalking Horse Bidder for an *en bloc* sale of the AgraCity Group, including the Genesis Entities. As described herein, the Stalking Horse Agreement contemplates a purchase price allocation of at least \$8.0 million to the Genesis Entities in order to satisfy the obligations owing by the Genesis Entities to BDC in full. The Monitor understands that approximately \$7.7 million, inclusive of legal fees, plus a *per diem* amount of approximately \$1,531 per day, is owing to BDC as of November 14, 2025, and Management believes that that the purchase price allocation of \$8.0 million should be sufficient to cover off amounts owing to BDC, especially if the AgraCity Group resumes making principal and interest payments to BDC throughout the proposed extended Stay Period.

35. The Interim Financing Term Sheet, if approved by this Honourable Court, provides for the payment of principal and interest of the BDC Facility during the CCAA Proceedings and CFS#2 contemplates payment of the principal and interest during the CFS#2 Forecast Period. The Interim Lender’s Charge, as contemplated in the Interim Financing Term Sheet, will rank subordinate to BDC’s security position.

36. The Genesis Facility has continued operating since the date of the Initial Order and as shown in CFS#2 projected new sales from specialty fertilizers are forecast to generate \$3.5 million of cash receipts during the CFS#2 Forecast Period. Management and the Monitor have held discussions with the AgraCity Group’s main supplier of raw materials, and the supplier has agreed to continue supplying during the extended Stay Period on a prepayment basis. As shown in CFS#2, continued sale of fertilizer products processed at the Genesis Facility during the CCAA Proceedings will generate cash flow to continue to service principal and interest on the BDC Facility and continue funding operations of the Genesis Entities.

37. In addition to the discussions between BDC and the Monitor, the Monitor’s counsel, and the AgraCity Group’s counsel, BDC was provided with the Interim Financing Term Sheet, proposed SISP and proposed Stalking Horse Agreement on or about December 7, 2025. Comments from BDC have been

incorporated into these documents including consultation rights for BDC in the SISP. At this time, the Monitor understands that BDC is either supportive of the SISP and inclusion of the Genesis Entities within the CCAA Proceedings or will take no position at the Comeback Hearing application.

38. The Monitor is of the view that the inclusion of the Genesis Entities within the ambit of the stay of proceedings under the ARIO is reasonable for the following reasons:
- a. the Applicants and Genesis Entities' operations are highly integrated;
 - b. together, the AgraCity Group are forecast to generate incremental cash flow as outlined in CFS#2 during the CCAA Proceedings, such that including the Genesis Entities within the ambit of the stay will help maintain stability and generate value;
 - c. the Genesis Entities are signatories to the Interim Financing Term Sheet and Stalking Horse Agreement and those arrangements are predicated on the Genesis Entities' inclusion within the CCAA, such that not extending the Stay of Proceedings to the Genesis Entities will likely be fatal to the AgraCity Group's ability to continue with these proceedings; and
 - d. based on the negotiated concessions from the AgraCity Group (e.g., payment in full of the BDC Facility and subordination of the Interim Financing Charge), BDC is supportive of the Genesis Entities' inclusion in the CCAA proceedings and SISP.

Extension of the Stay Period

39. Pursuant to the Initial Order, the Stay Period expires on December 11, 2025. In the ARIO, the AgraCity Group is seeking a stay extension up to and including March 2, 2025.
40. In the Monitor's view, the proposed extension will provide sufficient time for the AgraCity Group to complete the SISP (which is discussed in more detail below). Circumstances therefore exist that warrant the proposed extension.
41. As highlighted the CFS#2, the AgraCity Group is projected to have sufficient funds to the Proposed Stay Extension Date assuming the Applicants will have access to the funding contemplated in the Interim Financing Term Sheet.
42. In the Monitor's view, the Applicants have and continue to act in good faith and with due diligence, are operating to maximize recoveries for its creditors, and are complying with their obligations as set out in the Initial Order.
43. The Monitor does not believe that any creditor will be materially prejudiced if the proposed extension of the Stay Period is granted.

Proposed Interim Financing Term Sheet

44. At the application for the Initial Order on November 27, 2025, the Applicants sought approval for an interim financing facility with 2011329 Alberta Ltd. (the "**201 Interim Financing Facility**") and an associated interim lender's charge. The Initial Order did not approve the proposed interim financing facility nor associated interim lending charge.
45. The Applicants' CFS#2 filed in support of the initial application showed that there was not sufficient cash on hand or forecasted cash receipts available to pay all projected operating expenses, including the settlement of outstanding salaries and wages, and the professional fees and expenses incurred over the course of these proposed CCAA Proceedings.
46. The AgraCity Group has negotiated the Interim Financing Term Sheet with the Interim Lender as attached as Exhibit "**B**" to the Jason Mann Affidavit No. 3. The Interim Lender has agreed to advance a maximum principal amount of \$4.0 million. The total quantum of the draws on the Interim Financing Term Sheet required throughout the proposed CCAA Proceedings will be dependent on the AgraCity Group's ability to generate new sales and fund inventory purchases and operating expenses, including delivery of inventory to Reconciliation Creditors pursuant to the proposed Reconciliation Protocol.
47. As described in the Pre-Filing Report, the Applicants sought interim financing from multiple potential lenders. Through continued negotiations with UFA, the Applicants determined, in consultation with its legal counsel and the Monitor, that the Interim Financing Term Sheet provided the most advantageous terms.
48. The key terms of the Interim Financing Term Sheet include the following:
- a. **Principal amount:** maximum credit facility of \$4.0 million;
 - b. **Advances of principal amounts:** advances up to a maximum of \$1.0 million per advance to be provided upon written request, provided that certain funding conditions are satisfied;
 - c. **Commitment fee:** fee of 1% of each amount advanced, which the initial pro-rated fee shall be payable on the Closing Date;
 - d. **Standby Fee:** fee of 1.5% per annum on any undrawn portion of the principal amount, calculated daily and payable monthly in arrears on the last day of each calendar month;
 - e. **Interest rate:** rate of 10% per annum, which is payable, in cash, monthly, in arrears on the last day of each calendar month;
 - f. **Maturity date:** March 31, 2026;

- g. **Court approval:** granting of the interim financing term sheet and Interim Lender's Charge from this Honourable Court; and
 - h. **Other costs:** AgraCity Group to pay all costs, fees, disbursements and expenses incurred by the Lender (including, but not limited to, all legal fees (on a solicitor and their own client, full indemnity basis), financial advisor, appraisers, and all other professional fees and expenses, all on a full indemnity basis), all out-of-pocket due diligence and travel costs, and all other fees, costs, expenses, and disbursements of the Lender incurred exclusively in connection with the negotiation, development, monitoring, implementation, or enforcement of, or otherwise connected with, arising from, or in relation to, this Term Sheet and the Interim Facility (including the administration of the Interim Facility), the ARIO, the SISP, and the enforcement of this Term Sheet, the Interim Lender's Charge, or any other agreements, documents, or instruments granted or entered into in connection with the Interim Financing Term Sheet.
49. The Interim Financing Term Sheet contains customary conditions precedent, including the approval of a charge on the assets, undertakings and property of the Stay LPs and associated real property, securing all obligations under the Interim Financing Term Sheet.
50. If approved by this Honourable Court, the Interim Lender's Charge would be subordinate to the Administration Charge and the security granted by the Genesis Entities to BDC under the BDC Facility.
51. The Monitor has reviewed the Interim Financing Term Sheet and compared the same to an external database of similar financing facilities and believes that the terms included therein are fair, reasonable and are consistent with similar risk precedent loans in other insolvency proceedings.
52. The Monitor notes that the Interim Financing Term Sheet provides for more favourable terms compared to the 201 Interim financing Facility, including the following:
- a. an interest rate of 10% per annum compared to 20% per annum as contemplated in in the 201 Interim Financing Facility;
 - b. a lower commitment fee of 1% (or a maximum of \$40,000) as compared to \$200,000 contemplated in in the 201 Interim Financing Facility; and
 - c. an interim lender's charge ranking subordinate to BDC's security as compared to an interim lender's charge ranking in priority to BDC's security as contemplated in in the 201 Interim Financing Facility.
53. The Monitor has held several discussions with James Mann throughout the Stay Period and understands that he is seeking alternative interim financing arrangements on behalf of the AgraCity

Group. At this time, the Monitor has not been provided with any definitive alternative interim financing proposals from James Mann.

54. The Monitor supports the Applicants' request for approval of the Interim Financing Term Sheet and associated Interim Lender's Charge.

Key Employee Retention Plan

55. The AgraCity Group is seeking approval of a KERP in favour of the KERP Employees and a charge over the AgraCity Group in favour of the KERP Employees, in the total amount of \$400,000. A redacted copy of the KERP proposed by the AgraCity Group is appended as Exhibit "E" of the Jason Mann Affidavit No. 3.

56. The proposed payout in the KERP (the "**KERP Payment**") will be paid by the AgraCity Group to the KERP Employees upon the closing of a "**Successful Bid**", as defined in the SISP (the "**KERP Effective Date**"). The KERP Payment will be subject to required tax withholdings and source deductions and is expected to be paid on the next scheduled pay date following the KERP Effective Date, or as soon as practicable thereafter and, in any event, no later than 30 days after the KERP Effective Date.

57. To be entitled to the KERP Payment, the KERP Employees must have, among other things:

- a. remained employed and rendered services to the AgraCity Group, in accordance with performance and availability expectations; and
- b. maintained the confidentiality of the KERP.

58. The KERP is designed to encourage KERP Employees to retain their current employment during the CCAA Proceedings. Without the retention of the KERP Employees, the AgraCity Group's ability to maximize value for all stakeholders would be seriously compromised. The Monitor understands that its is Managements' view that the KERP Employees:

- a. are essential to continuing restructuring efforts and operational continuity;
- b. their departure would have an immediate impact on operations; and
- c. have specialized knowledge of the Business and Property and unique experience that cannot be easily replaced in the context of the CCAA Proceedings.

59. The Monitor therefore supports the approval of the KERP proposed by the Applicants.

Sealing Order

60. The Monitor understands that the AgraCity Group is seeking a sealing order with respect to the unredacted KERP, and specifically, the names, job descriptions, and amounts of the KERP Payments being made to individual KERP Employees.
61. The Monitor is of the view that such information is commercially sensitive and may be prejudicial to the KERP Employees if made public. The stakeholders know the total amount of the KERP Charge, which is relevant information to assess the overall impact of the KERP and KERP Charge on their interests.
62. Sealing this information is the least restrictive method to prevent the dissemination of the confidential information.
63. The Monitor supports the approval of sealing the KERP until further order of this Honourable Court.

Court Ordered Charges

64. The ARIO provides for four Court-ordered charges. These charges would rank in priority to all of the AgraCity Group's creditors, with the exception of the security of BDC against the Genesis Entities as it relates to the BDC Facility.
65. The details regarding the proposed Court-ordered charges are outlined below, in the order of relative priority that they will have over the Property:
 - a. **Administration Charge:** up to a maximum of \$1.0 million;
 - b. **Interim Financing Charge:** up to a maximum of \$4.0 million;
 - c. **D&O Charge:** up to a maximum of \$250,000; and
 - d. **KERP Charge:** up to a maximum of \$400,000.

(collectively, the "**Court Ordered Charges**").

Proposed Increase of the Administration Charge

66. The existing Administration Charge is \$500,000. Under the ARIO, the quantum of the Administration Charge is proposed to be increased to \$1.0 million to reflect additional work to be undertaken by the Monitor, its counsel, its proposed Sales Advisor, and the Applicants' counsel (collectively, the "**Administration Charge Beneficiaries**") during the current Stay Period and proposed extension

67. Given the size and complexity of the AgraCity Group's Business and the work that will need to be completed by the Administration Charge Beneficiaries in the course of the SISP, the Monitor is of the view that the proposed increase to the Administration Charge is fair, reasonable, and necessary to fund the work required to preserve value for the AgraCity Group and its stakeholders. The increase is reflective of the amount necessary to ensure the Administration Charge Beneficiaries have adequate protection to complete the SISP.

Proposed Interim Lender's Charge

68. As described herein, CFS#2 shows that the AgraCity Group requires funds pursuant to the Interim Lender's Term Sheet to operate during the proposed extended Stay Period as there is not sufficient cash on hand or forecasted cash receipts available to pay all of the projected operating expenses and professional fees.

69. To meet the requirements of the Interim Lender's Term Sheet, the AgraCity Group is seeking an Interim Lender's Charge of \$4.0 million to secure amounts advanced by the Interim Lender, ranking subordinate to the Administration Charge and the security granted by the Genesis Entities to BDC.

70. Based on the Proposed Monitor's review of the CFS#2, the Proposed Monitor is of the opinion that interim financing will be required to assist the AgraCity Group to fund outstanding salaries and wages, business expenses, and inventory purchases to generate cash flow and reconcile sales in accordance with the Reconciliation Protocol.

71. In connection with the Monitor's assessment of the proposed Interim Lender's Charge being appropriate in these circumstances, the Monitor has considered the factors set up in section 11.2(4) of the CCAA and provides its considerations below:

- a. **Period in which the AgraCity Group are expected to be subject to the CCAA Proceedings:** the SISP (as described in further detail herein) contemplates a process to seek Court approval of a transaction on or before on March 2, 2026, with the closing of a transaction contemplated shortly thereafter. It is the Monitor's view that the interim financing is appropriate given the amount of time the AgraCity Group will be subject to the CCAA and the funding requirements to undertake the SISP;
- b. **Management of the AgraCity Group's affairs during the CCAA Proceedings:** the AgraCity Group will continue to manage their affairs under the direction of its existing management with assistance and oversight of the Monitor in accordance with the provision of the ARIO;

- c. **Whether the AgraCity Group's Management has the confidence of its major creditors:** as discussed above, the Monitor understands that BDC has negotiated the concessions it required to support the process;
- d. **Whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the AgraCity Group:** from the Monitor's review of the proposed SISP, it provides the liquidity required for the AgraCity Group to pursue the primary restructuring opportunity available to it, namely, the SISP; and
- e. **Whether any creditor would be materially prejudiced as a result of the security or charge:** the Interim Lender's Charge would rank subordinate to BDC's security and would permit the AgraCity Group to continue the Reconciliation Protocol (as defined in the "**Pre-Filing Report**") and enhance the prospects of certain claims to be satisfied.

72. Based on the foregoing, the Monitor believes that the proposed Interim Lender's Charge is reasonable in the circumstances and would enhance the prospects of a viable compromise or arrangement with respect of the AgraCity Group.

Proposed D&O Charge

73. The AgraCity Group is seeking a D&O Charge to indemnify its directors and officers against obligations and liabilities that they may incur in such roles during the CCAA Proceedings to the extent that such persons do not have coverage or coverage is insufficient under any existing directors' and officers' insurance policy. The Monitor understands that, with the exception of the Genesis Entities, none of the entities in the AgraCity Group have directors' and officers' insurance policies.
74. The proposed D&O charge would rank subordinate to the Administration Charge and Interim Financing Charge.
75. Through discussions with the AgraCity Group and its counsel, the Proposed Monitor understands the AgraCity Group will be seeking a D&O Charge in the amount of \$250,000.
76. The Monitor believes that the D&O Charge in the amount of \$250,000 is reasonable in the circumstances given the scope of potential liabilities that may arise during the CCAA Proceedings and the importance of maintaining the continued involvement of the directors and officers throughout the restructuring process.

Proposed KERP Charge

77. The ARIO provides for the approval of a charge to secure the payment of the AgraCity Group's obligations under the KERP ("**KERP Charge**") in the amount of \$400,000. The amount of the KERP Charge is based on the amounts due under the KERP.
78. The proposed KERP Charge would rank subordinate to all of the aforementioned charges.
79. The Monitor considers that such a charge is necessary and reasonable under the circumstances.

MONITOR'S COMMENTS ON APPLICANTS PROPOSED SISP

Background and Stalking Horse Term Sheet

80. As described in the Jason Mann Affidavit No. 3, the Applicants have engaged with a number of potentially interested purchasers through out 2025 in an informal marketing and sales process and substantial due diligence was completed by a number of parties.
81. The AgraCity Group has entered into a term sheet with UFA to act as a stalking horse and the Stalking Horse Agreement is being negotiated as at the date of this First Report, with the expectation that it will be entered into in advance of the Comeback Hearing.
82. The AgraCity Group, with the assistance of the Monitor, have negotiated the Stalking Horse Term Sheet, pursuant to which the Stalking Horse Bidder intends to:
- a. act as a stalking horse bidder in the SISP; and
 - b. if successful in the SISP, acquire one hundred percent (100%) of the equity, units and all ownership interest in the AgraCity Group entities, except the Transferred Assets and Transferred Liabilities (as defined in the Stalking Horse Term Sheet), by way of a reverse vesting order.
83. The key terms of the Stalking Horse Term Sheet include the following:
- a. **Purchase price:** \$20.0 million, including an allocation of the purchase price of \$8.0 million to the Genesis Entities;
 - b. **Break fee:** \$1.0 million, that would be payable to the Stalking Horse Bidder in the event the Stalking Horse Agreement does not close (the "**Bid Protection**");
 - c. **Interim Financing:** the Interim Lender, being the Stalking Horse Bidder, to provide interim financing up to a maximum amount of \$4.0 million (as described herein);

- d. **Priority Charges:** the Interim Financing Charge being granted and a stalking horse charge securing the Bid Protection, with the Bid Protection charge ranking subordinate to all of the Court Ordered Charges (the “**Stalking Horse Charge**”);
- e. **RVO Approval:** subject to approval from this Honourable Court, contemplated through a reverse vesting order, providing for:
 - i. the exit of the AgraCity Group from, and the inclusion of the ResidualCo (as defined in the Stalking Horse Term Sheet) in the CCAA Proceedings; and
 - ii. the release of any and all claims against the directors, officers, employees, consultants, contractors, and legal and financial advisors to the AgraCity Group, the Monitor, the Stalking Horse Bidder, the Interim Lender and their respective legal and financial advisors.

84. As described in the Jason Mann Affidavit No. 3, it is the AgraCity Groups’ view that the Stalking Horse Agreement is the best baseline available to conduct a SISP and solicit interest from other potential purchasers or investors for some or all of the AgraCity Groups’ businesses or assets.

Proposed SISP

85. The proposed SISP contemplates the engagement of the Sales Advisor to assist the AgraCity Group in undertaking a two-phase marketing process, whereby the Stalking Horse Agreement represents the back-stopping bid, commencing with marketing no later than December 15, 2025 and the following proposed milestones:

DATE	MILESTONE
By no later than December 15, 2025	Commencement of the SISP
Phase 1 Bid Deadline	January 30, 2026 (12:00 p.m. Saskatoon time)
Phase 2 Bid Deadline	February 16, 2026 (12:00 p.m. Saskatoon time)
Date of the Auction, if any	February 20, 2026 (the “ Auction Date ”)
Hearing for approval of transactions	March 2, 2026 (the “ Approval Hearing ”)

86. A high-level overview of the proposed SISP, includes (but is not limited to) the following:
- a. as soon as reasonably practicable but, in any event, no later than December 15, 2025:
 - i. the Monitor, on behalf of the AgraCity Group, will cause notice of the SISP (and such other relevant information which the Monitor, in consultation with the Sales Advisor and the AgraCity Group, considers appropriate) to be published in such publications as the Monitor, in consultation with the Sales Advisor and the AgraCity Group, considers appropriate (the “**Solicitation Notice**”);
 - ii. the Monitor, in consultation with the AgraCity Group, will issue a press release setting out the information contained in the Solicitation Notice and such other relevant information which the AgraCity Group and the Monitor consider appropriate for dissemination; and
 - iii. the Monitor, on behalf of the AgraCity Group, shall distribute the Solicitation Notice to all Known Potential Bidders (as described in the SISP) inviting the Known Potential Bidders to submit a bid pursuant to these SISP Procedures.
 - b. interested parties that execute a non-disclosure agreement, and provide further information as described in the SISP, to the Sales Advisor and Monitor and shall be admitted as a Phase 1 Qualified Bidder upon reasonable business judgement of the Monitor in consultation with the Sales Advisor and the AgraCity Group;
 - c. the Monitor, with the assistance of the Sales Advisor and the AgraCity Group shall provide access of each Phase 1 Qualified Bidder to a secure online electronic data room containing due diligence information;
 - d. Phase 1 Qualified Bidders who wish to pursue a transaction must deliver a non-binding letter of intent by January 30, 2025 (the “**Phase 1 Bid Deadline**”) to the AgraCity Group and the Monitor and the non-binding letters of intent will only be considered as qualified non-binding letter of intent (a “**Qualified LOI**”) if it meets the criteria as set out in the SISP;
 - e. following the Phase 1 Bid Deadline, the Monitor, in consultation with the AgraCity Group will assess the Qualified LOIs and, if it is determined that a Phase 1 Qualified Bidder that has submitted a Qualified LOI that has the potential, either alone or in combination with other Qualified LOIs to be a Superior Offer, it shall be deemed to be a “**Phase 2 Qualified Bidder**” and shall be invited to submit a Qualified Bid by the Phase 2 Bid Deadline;

- f. Phase 2 Qualified Bidders who wish to pursue a transaction must deliver a binding offer, that constitutes a Superior Offer (as defined in the SISP), accompanied by a refundable deposit in the amount of 10% of the cash consideration contemplated therein by February 16, 2025 (the “**Phase 2 Bid Deadline**”) to the AgraCity Group and the Monitor (a “**Phase 2 Bid**”);
- g. the Monitor, in consultation with the Sales Advisor and the AgraCity Group, will review and assess each Phase 2 Bid to determine which Bid(s) represent a Qualified Bid as defined and in accordance with the criteria outlined in the SISP;
- h. if one or more Qualified Bids, which individually or collectively constitute a Superior Offer, the Monitor, in consultation with the Sales Advisor and the AgraCity Group, shall conduct an auction (the “**Auction**”) to determine the highest or otherwise best Qualified Bid or Qualified Bids, with minimum bid increments of \$500,000 whereby the Superior Offer constitutes the opening bid for the commencement of the Auction;
- i. all bids made during the Auction must be Overbids (as defined in the SISP) representing a superior bid to the Opening Bid (as defined in the SISP) of each respective round and shall be submitted in a form to be determined by the Monitor, in consultation with the Sales Advisor in consideration of the Winning Bid (as defined in the SISP);
- j. if no Overbids are received in the Auction, the last Opening Bid shall be declared the Winning Bid; and
- k. in the event that another Qualified Bidder (as defined in the SISP) is selected as the Winning Bidder, then the Stalking Horse Bidder may, by no later than 5:00 PM (Saskatoon Time) on the day that is three (3) Business Days after the conclusion of the Auction (the “**Topping Bid Deadline**”), deliver to the Monitor and the AgraCity Group a binding Qualified Bid that exceeds the aggregate value and overall terms of the then Winning Bid plus an additional \$2,000,000 in cash consideration (a “**Topping Bid**”).

Topping Bid Considerations

87. The Topping Bid provides a right-of-first refusal to the Stalking Horse Bidder post-auction for a \$2.0 million premium on any Winning Bid and, as such, prospective bidders may be less inclined to participate in the Stalking Horse Sales Process and expend resources on due diligence. The AgraCity Group and Monitor have considered alternatives available to the AgraCity Group under the current circumstances, and the Monitor respectfully presents the following (not all inclusive) comments for consideration by the AgraCity Group’s stakeholders and this Honourable Court in support of the proposed SISP:

- a. the AgraCity Group has had materially advanced negotiations with the Stalking Horse Bidder and has entered into the Stalking Horse Agreement, which provides a backstop transaction for the benefit of its stakeholders. Ultimately, the Stalking Horse Bidder would not deviate from its original requirement that the SISP include the Topping Bid provision;
- b. the Interim Financing Term Sheet, as contemplated with the Stalking Horse Bid, provides the AgraCity Group with sufficient funding to continue generating cash flow to operate as a going-concern for during the CCAA Proceeding, including, among other things, the payment of all outstanding wages to employees, and to undertake the Reconciliation Protocol for the benefit of the affected creditors;
- c. the Stalking Horse Term Sheet and provisions of the SISP intend to fully satisfy the amounts owed to BDC;
- d. the consideration contemplated in the Stalking Horse Term Sheet would provide for the settlement of the outstanding balance of approximately \$958,000 due to the Canada Revenue Agency for unremitted source deductions;
- e. the SISP, in contemplation with the Stalking Horse Agreement, provides an opportunity for prospective bidders to submit Superior Bids which would increase the consideration to be received for the sale of the AgraCity Group's Business;
- f. it is the Monitor's view that the AgraCity Group would not have sufficient cash flow in the short term and would not be able to obtain interim financing on similar terms of the Interim Financing Terms Sheet to undertake a fulsome SISP to maximize realizations for the benefit of the creditors; and
- g. it is the Monitor's view that an alternative process to the proposed Interim Financing Order and SISP, could be an expedited liquidation of the AgraCity Group assets to fund a sales process of the intellectual property, including the CPP registrations, however, a higher value may be achieved through a sale of the businesses of the AgraCity Group as a going concern and permit for, among other things, the following which requires interim financing:
 - i. continued employment of more than 35 employees;
 - ii. payment for outstanding wages of approximately \$167,000; and
 - iii. claims of Reconciliation Creditors to be satisfied through the Reconciliation Protocol.

88. Based on the foregoing, the Monitor supports the SISP and contents therein, including the proposed Stalking Horse Charge on the basis that the proposed SISP may provide for a better recovery for the stakeholders of the AgraCity Group as opposed to an alternative scenario resulting in an expedited liquidation of the AgraCity Group.

CONCLUSIONS AND RECOMMENDATIONS

89. In addition, to the best of the Monitor's knowledge:

- a. the AgraCity Group continues to act in good faith and with due diligence;
- b. the AgraCity Group will likely be able to prepare and execute a viable restructuring plan for the benefit of its stakeholders if given a sufficient amount of time to continue the Reconciliation Protocol, operate the business as a going concern, and complete the SISP; and
- c. no creditor would be materially prejudiced by the granting of the ARIO.

90. For the reasons noted above and as otherwise detailed in the Jason Mann Affidavit No. 3, the Monitor respectfully recommends that the Applicants' request for an ARIO pursuant to the CCAA, the SISP and the ancillary relief described in this First Report be granted by this Honourable Court.

Dated at Calgary, Alberta this 9th day of December 2025.

ERNST & YOUNG INC.
in its capacity as the
Monitor of the Applicants



Peter Chisholm, CPA, CA, CIRP, LIT
Senior Vice President



Josh Heagy, CPA, CIRP, LIT
Vice President

Appendix 'A'
Summary of Applicants

Appendix 'A' – Summary of Applicants

“Applicants”

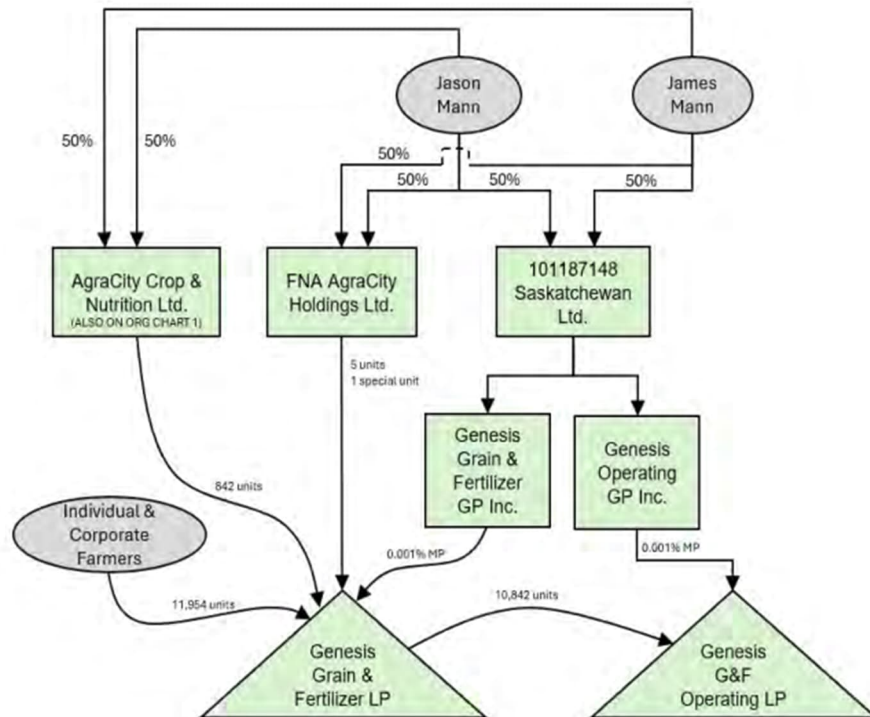
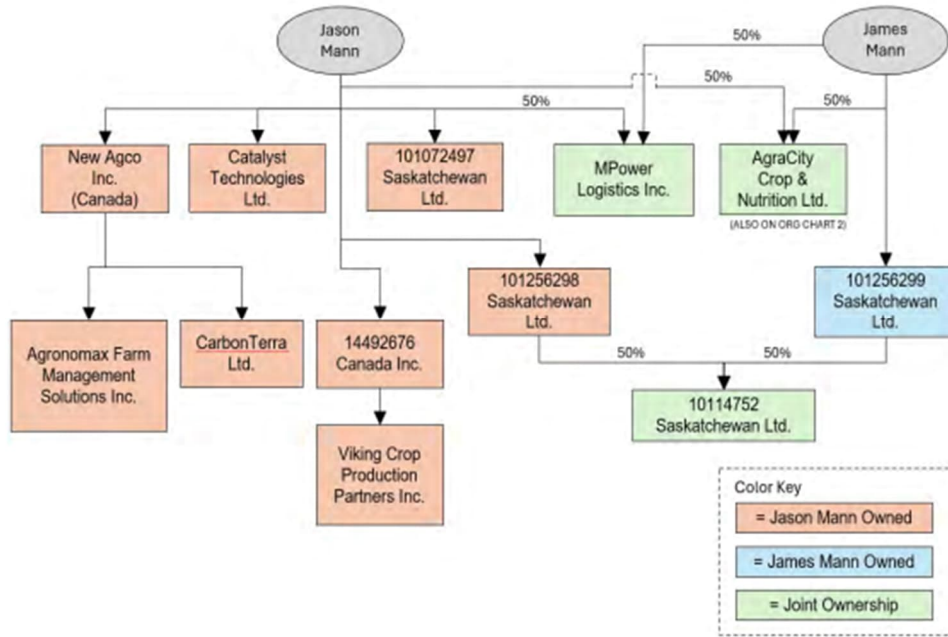
- AgraCity Crop and Nutrition Ltd. (“**AgraCity**”)
- MPower Logistics Ltd. (“**MPower**”)
- NewAgCo Inc. (“**NewAgco**”)
- CarbonTerra Ltd. (“**CarbonTerra**”)
- Agronomax Farm Management Solutions Inc. (“**Agronomax**”)
- 14492676 Canada Inc. (“**2676**”)
- Viking Crop Production Partners Inc. (“**Viking**”)
- 101114752 Saskatchewan Ltd. (“**4752**”)
- 101072497 Saskatchewan Ltd. (“**2497**”)
- Catalyst Technologies Ltd. (“**Catalyst**”)
- 101187148 Saskatchewan Ltd. (“**7148**”)
- FNA AgraCity Holdings Ltd. (“**FNA AgraCity**”)

“Genesis Entities”

- Genesis Grain & Fertilizer GP Inc. (“**GG&F GP**”)
- Genesis Operating GP Inc. (“**GG&F Op GP**”, and together with GG&F GP, “**Genesis General Partners**”)
- Genesis Grain & Fertilizer Limited Partnership (“**GG&F LP**”)
- Genesis G&F Operating LP (“**GG&F Op LP**”, and together with GG&F LP, the “**Stay LPs**”)

Appendix **'B'**
AgraCity Group Organizational Chart

AgraCity Group Organizational Chart



Appendix 'C'
Actual to forecast variance analysis (CFS#1)

AgraCity Crop & Nutrition Ltd. et al
Variance Analysis Nov. 21, 2025 - Dec. 5, 2025

Week Ending December 5, 2025

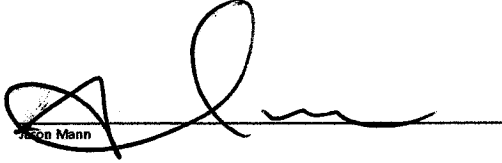
	Projected	Actual	Variance
Beginning cash balance	55,019.0	55,019.0	-
Cash inflows			
Cash collected new sales	240,634.0	295,598.5	54,964.5
Financing cash in/outflow			
Interim Financing Facility	700,000.0	-	(700,000.0)
Financing costs (interest, commitment fee, etc.)	(200,000.0)	-	200,000.0
Interest	-	-	-
Total cash inflows	740,634.0	295,598.5	(445,035.5)
Cash outlays			
<u>Operational</u>			
SG&A	167,881.0	10,397.2	(157,483.8)
Lease/loan	29,696.0	-	(29,696.0)
Salaries and benefits	104,473.0	68,857.1	(35,615.9)
Product storage & handling	90,000.0	78,808.7	(11,191.3)
Related party	134,814.0	57,108.8	(77,705.2)
	526,864.0	215,171.7	(311,692.3)
Purchase orders	203,102.0	49,880.0	(153,222.0)
Corporate tax	-	-	-
Repayment loans third party	-	-	-
Trade supplier payable	-	-	-
Trade supplier settlement	-	-	-
Restructuring costs	-	-	-
Contingency	-	-	-
Total cash outlays	729,966.0	265,051.7	(464,914.3)
Net cash change (weekly)	10,668.0	30,546.7	19,878.7
FX and other adjustments		2,689.5	
Ending cash balance	65,687.0	88,255.2	22,568.2

Appendix 'D'
Projected cash flow statement (CFS#2)

AgraCity Crop & Nutrition Ltd. et al Cash Flow Projection

Week ending	2025-12-12	2025-12-19	2025-12-26	2026-01-02	2026-01-09	2026-01-16	2026-01-23	2026-01-30	2026-02-06	2026-02-13	2026-02-20	2026-02-27	2026-03-06
Beginning cash balance	88,255	404,578	103,248	719,080	533,750	361,606	152,186	50,976	404,675	310,758	683,416	346,724	168,698
Cash inflows													
Cash collected new sales CPP	75,000	75,000	-	-	135,259	135,259	405,777	405,777	541,036	541,036	541,036	541,036	432,829
Cash collected new sales Fertilizer	-	100,000	-	-	250,000	250,000	250,000	250,000	400,000	500,000	500,000	500,000	500,000
Financing cash in/outflow													
DIP or term loan	500,000	1,500,000	2,000,000	-	-	-	-	-	-	-	-	-	-
Commitment fee	(5,000)	(15,000)	(20,000)	-	-	-	-	-	-	-	-	-	-
Lender Expenses	(100,000)	(10,000)	(25,000)	-	-	-	-	-	-	-	-	-	-
Financing costs	-	-	-	(34,895)	-	-	-	(33,333)	-	-	-	(33,333)	-
Total cash inflows	470,000	1,650,000	1,955,000	(34,895)	385,259	385,259	655,777	622,443	941,036	1,041,036	1,041,036	1,007,702	932,829
Cash outlays													
<u>Operational</u>													
SG&A	48,231	125,198	59,549	-	140,534	68,098	45,363	8,145	83,575	87,171	20,857	47,262	85,390
Lease/loan	1,436	28,606	-	4,195	11,256	3,217	-	2,871	11,325	1,436	1,781	2,871	11,325
Salaries and benefits	40,914	107,162	175,836	17,662	149,383	-	183,845	-	12,562	137,173	-	189,213	12,562
Product storage & handling	10,500	21,000	-	-	21,000	21,000	21,000	21,000	-	-	-	-	-
NewAgco	23,917	41,717	136,806	25,643	42,010	22,933	38,950	23,438	14,185	54,608	9,805	52,758	14,185
Mpower Logistics	16,611	15,823	28,416	10,300	31,938	13,234	24,608	11,118	18,970	26,459	10,273	28,881	18,970
Other CCAA entities	3,200	2,000	2,228	1,606	2,800	5,400	2,700	228	1,806	4,900	2,200	228	1,806
Genesis group	8,868	5,488	34,573	91,030	8,481	10,797	8,481	26,945	91,030	6,631	24,223	30,116	91,030
	153,677	346,994	437,408	150,436	407,402	144,679	324,947	93,745	233,453	318,378	69,139	351,329	235,268
Purchase orders crop protection	-	1,094,337	901,760	-	-	-	-	-	-	-	638,588	484,400	-
Purchase orders fertilizer	-	110,000	-	-	150,000	150,000	175,000	175,000	280,000	350,000	350,000	350,000	350,000
Trade supplier payable	-	-	-	-	-	-	257,040	-	521,500	-	-	-	-
Restructuring costs	-	400,000	-	-	-	300,000	-	-	-	-	300,000	-	-
Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash outlays	153,677	1,951,330	1,339,168	150,436	557,402	594,679	756,987	268,745	1,034,953	668,378	1,377,727	1,185,729	585,268
Net cash change (weekly)	316,323	(301,330)	615,832	(185,331)	(172,143)	(209,420)	(101,210)	353,698	(93,917)	372,658	(336,691)	(178,027)	347,561
Ending cash balance	404,578	103,248	719,080	533,750	361,606	152,186	50,976	404,675	310,758	683,416	346,724	168,698	516,259

I, Jason Mann, have reviewed the contents and figures presented in the cash flow projection and believe them to be reasonable and accurate to the best of my knowledge



Jason Mann

AgraCity Crop & Nutrition Ltd., MPower Logistics Ltd., NewAgco Inc., CarbonTerra Ltd., Agronomax Farm Management Solutions Inc., 14492676 Canada Inc., Viking Crop Protection Partners Inc., 101114752 Saskatchewan Ltd., 101072497 Saskatchewan Ltd., Catalyst Technologies Ltd., 101187148 Saskatchewan Ltd. and FNA AgraCity Holdings Ltd. (collectively, the "**Applicants**"), Genesis Grain & Fertilizer GP Inc., Genesis Operating GP Inc., (collectively, the "**Genesis General Partners**") and Genesis Grain and Fertilizer Limited Partnership and Genesis G&F Operating LP (collectively, the "**Stay LPs**", and together with the Applicants and Genesis General Partners, the "**AgraCity Group**").

Notes to Projected Statement of Cash Flow ("CFS#2")

For the Period Ending March 6, 2026

Purpose and General Assumptions

1. The purpose of CFS#2 is to present a cash flow forecast of the AgraCity Group for the period beginning on December 6, 2025, and ending on March 6, 2026, (the "**CFS#2 Forecast Period**") in respect of their proceedings under the Companies' Creditors Arrangement Act ("**CCAA**"). CFS#2 assumes that this Honourable Court declares that the Genesis General Partners and the Stay LPs (collectively, the "**Genesis Entities**") are subject to the CCAA Proceedings.
2. CFS#2 has been prepared based on hypothetical and most probable assumptions.

Hypothetical Assumptions

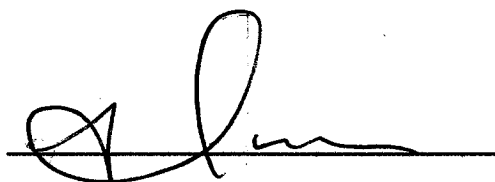
3. The AgraCity Group's Management reviewed historical sales and product deliveries from 2024 and has advised that these amounts accurately reflect a normalized sales pattern that can be expected for new sales during the CCAA Proceedings. Management has also incorporated anticipated irregular expenses and accounted for purchase orders on an as-needed basis.

Probable Assumptions

1. The consolidated opening cash balance is an aggregate of all of the AgraCity Group's known bank account balances as at December 5, 2025. The Companies' various bank accounts are maintained at Bank of Montreal and Royal Bank of Canada. Note: Entities that have cash receipts or disbursements maintain separate bank accounts as required.
2. The consolidated cash flow as detailed in CFS#2 assumes that AgraCity Crop & Nutrition Ltd. ("**AgraCity**") will fund the cash flow needs of the Applicants and Genesis Entities as AgraCity is the primary source of income for majority of the income generating entities. Management will endeavour to have a proper accounting of any intercompany transfers from AgraCity to the other entities used to cover critical operating expenses.
3. Management forecast cash receipts from new sales based on current inventory and inventory in transit expected to be received within one week. Management has implemented a sale protocol ("**Cash and Carry Program**") to be carried out within the CCAA Proceedings in order to incentivize new sales from customers. The AgraCity Group has already provided numerous quotes to customers based on this program and expects new sales to materialize throughout the CCAA Proceeding.

4. Management identified regular operating cash outlays as well as unusual, irregular and necessary expenditures required to ensure the Companies continue to operate as a going concern. Necessary and critical direct operating expenses would include, among others:
 - i. Payroll and benefits;
 - ii. Insurance premiums;
 - iii. Warehouse occupancy and equipment leases;
 - iv. Product handling and storage;
 - v. Marketing and advertising, including participation in tradeshow; and
 - vi. IT and software subscriptions.
5. With the assumption that this Honourable Court grants the Interim Financing Facility of \$4.0 million, significant cash disbursements for purchase orders is forecast up front in order to receive products for both new sales and reconciliation sales. This includes purchases of packaging materials to convert the bulk materials on hand to finished goods for delivery to customers.
6. With the assumption that the Genesis Entities are subject to the CCAA proceedings, post-filing regularly scheduled principal and interest payments owing to Business Development Bank of Canada ("BDC") under the term loan credit facility letter of offer dated July 5, 2021, between BDC and the Genesis Entities are forecast to be paid.
7. CFS#2 incorporates the assumption that all such costs and the restructuring fees of the CCAA proceedings that are not covered through the Administration Charge will be covered by the advances from the Interim Financing Facility and new sales made by AgraCity.
8. The restructuring costs noted in CFS#2 are estimates and subject to change/variances over the Forecast Period.

I have reviewed the assumptions noted herein and agree they are the appropriate basis for use in CFS#2 and are properly reflected over the Forecast Period.



Jason Mann

COURT OF KING'S BENCH FOR SASKATCHEWAN

**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 AGRACITY CROP & NUTRITION LTD., MPOWER LOGISTICS LTD. NEWAGCO INC., CARBONTERRA LTD., AGRONOMAX FARM MANAGEMENT SOLUTIONS INC., 14492676 CANADA INC., VIKING CROP PRODUCTION PARTNERS INC., 101114752 SASKATCHEWAN LTD., 101072497 SASKATCHEWAN LTD., CATALYST TECHNOLOGIES LTD., 101187148 SASKATCHEWAN LTD., FNA AGRACITY HOLDINGS LTD. (collectively, the "Applicants"), GENESIS GRAIN & FERTILIZER GP INC., GENESIS OPERATING GP INC., (collectively the "Genesis General Partners") and GENESIS GRAIN AND FERTILIZER LIMITED PARTNERSHIP AND GENESIS G&F OPERATING LP (collectively, the "Stay LPs", and together with the Applicants and Genesis General Partners, the "AgraCity Group").

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT

(paragraph 10(2)(b) of the CCAA)

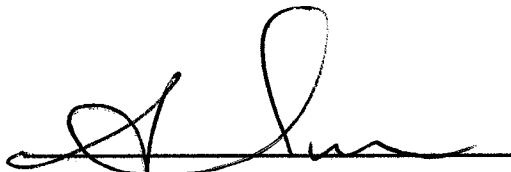
The management of the AgraCity Group have developed the assumptions and prepared the attached statement of projected cash flow for the period beginning on December 6, 2025, and ending on March 6, 2026 ("CFS#2"). All such assumptions are disclosed in the notes to the CFS#2.

The hypothetical assumptions are suitably supported and consistent with the purpose of CFS#2 as described in Note 1 to CFS#2, and the probable assumptions are suitably support and consistent with the plans of the Applicants and provide a reasonable basis for CFS#2.

Since CFS#2 is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

CFS#2 has been prepared solely for the purposes outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that CFS#2 may not be appropriate for other purposes.

Dated at Saskatoon, Saskatchewan this 9th day of December 2025.



Jason Mann, Director (of each of the AgraCity Group)

Appendix 'E'
EY's statutory report on the Companies (CFS#2)

COURT OF KING'S BENCH OF SASKATCHEWAN

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 AGRACITY CROP & NUTRITION LTD., MPOWER LOGISTICS LTD. NEWAGCO INC., CARBONTERRA LTD., AGRONOMAX FARM MANAGEMENT SOLUTIONS INC., 14492676 CANADA INC., VIKING CROP PRODUCTION PARTNERS INC., 101114752 SASKATCHEWAN LTD., 101072497 SASKATCHEWAN LTD., CATALYST TECHNOLOGIES LTD., 101187148 SASKATCHEWAN LTD., FNA AGRACITY HOLDINGS LTD. (collectively, the "Applicants"), GENESIS GRAIN & FERTILIZER GP INC., GENESIS OPERATING GP INC., (collectively the "Genesis General Partners") and GENESIS GRAIN AND FERTILIZER LIMITED PARTNERSHIP AND GENESIS G&F OPERATING LP (collectively, the "Stay LPs", and together with the Applicants and Genesis General Partners, the "AgraCity Group").

MONITOR'S REPORT ON CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash flow of AgraCity Crop & Nutrition Ltd. together with the companies set out in **Appendix 'A'** as at the 9th of December, 2025 consisting of a weekly projected cash flow statement for the period beginning on December 6, 2025, and ending on March 6, 2026 ("**CFS#2**") has been prepared by management of the AgraCity Group ("**Management**") for the purpose described in Note 1, using probable assumptions set out in the notes to CFS#2.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the Management and employees of the AgraCity Group. We have reviewed the support provided by Management for the probable assumptions and the preparation and presentation of CFS#2.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) The hypothetical assumptions are not consistent with the purpose of CFS#2;
- b) As at the date of this Pre-Filing Report, the probable assumptions developed by Management are not suitably support and consistent with the plans of the AgraCity Group or do not provide a reasonable basis for CFS #2, given the hypothetical assumptions; or
- c) CFS#2 does not reflect the probable and hypothetical assumptions.

CFS#2 is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether CFS#2 will be achieve. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report or relied upon in preparing this report. CFS#2 has been prepared solely for the purpose described in Note 1, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, Alberta this 9th day of December 2025.



Ernst & Young Inc.

In its capacity as proposed Monitor of the AgraCity Crop & Nutrition Ltd. together with the companies set out in **Appendix 'A'** and not in its personal capacity