Court File No. CV-25-00749775-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

NATIONAL BANK OF CANADA

Applicant

- and -

DROP TECHNOLOGIES INC. (FORMERLY KNOWN AS DROP LOYALTY INC.), DROP TECHNOLOGIES USA INC., and DROP TECHNOLOGIES HOLDINGS ULC

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

MOTION RECORD
(Returnable August 28, 2025)

August 22, 2025

AIRD & BERLIS LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO# 31871V) Tel: 416-865-7726
Email: sgraff@airdberlis.com

Adrienne Ho (LSO# 68439N)
Tel: 416-637-7980
Email: aho@airdberlis.com

Lawyers for the Applicant and Proposed Receiver

TO: SERVICE LIST

Court File No. CV-25-00749775-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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INDEX

TAB	**DOCUMENT**
1.	Notice of Motion dated August 22, 2025
2.	First Report of the Proposed Receiver dated August 22, 2025
3.	Draft Sales Process Order
4.	Service List

TAB 1

Court File No. CV-25-00749775-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

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Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

NOTICE OF MOTION

KSV Restructuring Inc., in its capacity as the proposed receiver and manager (the "**Receiver**") will make a motion to a judge of the Commercial List on August 28, 2025 at 10:00 a.m., as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard

☐ In writing under subrule 37.12.1 (1) because it is *(insert one of* on consent, unopposed *or* made without notice*)*;

☐ In writing as an opposed motion under subrule 37.12.1 (4);

☐ In person;

☐ By telephone conference;

X By video conference.

at the following location:

By Zoom details provided by the Court

THE MOTION IS FOR:

1. The proposed Receiver seeks an order for, amongst other things:

   (a) Approval of the Sales Process as set out in Schedule "A" to the proposed form of Order in respect of Debtors' (as defined below) assets and undertakings;

   (b) Approval of the Pre-Filing Report of the Receiver dated August 22, 2025 (the "**Pre-Filing Report**") and the actions, activities and conduct of the Receiver described therein; and

   (c) Such further relief as the Honourable Court may grant.

THE GROUNDS FOR THE MOTION ARE:

Background

2. Drop Technologies Inc. (formerly Drop Loyalty Inc.) ("**Drop**") and its subsidiaries, Drop Technologies USA Inc. ("**Drop USA**"), and Drop Technologies ULC ("**Drop ULC**") (collectively, the "**Debtors**") operate a business known as "Drop" – a loyalty rewards technology provider.

3. Drop Loyalty Inc. originally entered into a Loan and Security Agreement dated September 14, 2017 (as amended from time to time, the "**Loan Agreement**") with Silicon Valley Bank ("**SVB**").

4. In April 2023, NBC acquired SVB's Canadian portfolio of loans. As part of this acquisition, NBC acquired the loans that SVB had made to the Debtors.

5. On December 12, 2023, KSV Advisory Inc., an affiliate of KSV Restructuring Inc., the Receiver, was engaged by NBC to provide advisory services in respect of NBC's loans to the Debtors (the "**Advisory Mandate**"). The Advisory Mandate included, among other things, reviewing the Debtors' historical financial information and its financial projections, monitoring the Debtors' financial performance and considering the Debtors' restructuring options.

6. Since May 2024, NBC has accommodated the Debtors by establishing a forbearance period pursuant to the Loan Agreement.

7. The principal purpose was to permit the Debtors a time period to carry out a sales and marketing process such that the outstanding indebtedness to NBC can be repaid in full.

8. NBC and KSV Advisory Inc. have engaged in numerous discussions with the Debtors on their options to continue the Debtors' sale and marketing process, as well as strategic considerations given the circumstances of the Debtors' business.

9. The Debtors retained Raymond James Ltd. ("**Raymond James**") as its investment banker for the purpose of marketing its business for sale (the "**RJ Sales Process**"). Notwithstanding the extensive efforts of Raymond James, which involved casting a wide net for purchasers across North America for well more than a year, no offers have been submitted to acquire the Debtors' business and/or assets. The Raymond James process commenced in August 2024 and continues to today.

10. The forbearance period expired on April 1, 2025. Despite the expiry of the forbearance period and despite the efforts of the Debtors and Raymond James, the Debtors have not received any offers to acquire or restructure the Debtors' business.

11. The Indebtedness remains unpaid and no arrangements have been made between NBC and the Debtors.

12. NBC has brought an application to appoint KSV Restructuring Inc. as receiver and manager over the Debtors.

13. KSV's engagement letter for its Advisory Mandate states that the Advisory Mandate will terminate if KSV is appointed to act in an insolvency proceeding involving the Debtors, at which point it will be an independent officer of the court, subject to statute and the order appointing it. The Advisory Mandate does not preclude KSV from acting as a court officer in a court-supervised insolvency proceeding involving the Debtors.

Proposed Sales Process

14. The primary purpose of the receivership is to complete a sale of the Company's business and assets on a timely basis.

15. The proposed Receiver seeks approval of a proposed marketing and sales process (the "**Sale Process**"), the details of which are set out in Schedule "A" to the proposed order. A summary of the Sale Process is provided in the Receiver's Pre-Filing Report.

16. The proposed Receiver intends to attempt to re-engage with parties that participated in the RJ Sale Process, and to identify and contact additional parties that may have an interest in the opportunity. The proposed Receiver will also contact any parties that have expressed an interest directly to the Debtors, provided the proposed Receiver is advised of these parties.

17. The Sale Process contemplates that representatives of the Debtors may participate in the Sale Process. Participants in the Sale Process will be apprised of this possibility as these individuals may also be involved in management presentations to potential bidders. The proposed Receiver would attend all management presentations.

18. Given the Debtors' limited liquidity, offers for the Debtors' business and assets are to be submitted approximately 30 days after launch of the Sale Process.

19. A summary of certain of additional attributes of the Sale Process is as follows:

    (a) the Debtors and their business and assets will be marketed on an "as is, where is" basis;

    (b) The proposed Receiver will have the right to reject all offers, including the highest offer;

    (c) The proposed Receiver, acting reasonably and in consultation with NBC, will have the right to amend the timelines to the extent necessary to generate the best possible results in the Sale Process; and

(d) any transaction will be subject to Court-approval.

20. Nothing in the Sale Process shall prevent NBC and their affiliates from financing a potential bidder or participating as a potential bidder in the Sales Process.

21. The proposed Receiver is entitled to provide NBC, on a confidential basis, with the details of and/or copies of the offers received and shall be entitled to consult with NBC in respect of such offers and the Auction, if any, as long as:

(a) NBC confirms in writing to the Receiver that NBC and their affiliates are not participating, directly or indirectly, as a bidder in the Sales Process (other than providing potential financing to a bidder if requested by a bidder); and

(b) If NBC is potentially financing a Bidder(s) in the Sales Process, NBC confirms in writing to the Receiver that NBC will not provide the bidder(s) with any information NBC receives from the Receiver regarding other bidders and the offers they made.

22. The proposed Receiver recommends that the Court issue an order approving the Sale Process for the following reasons:

(a) the contemplated Sale Process is fair, open and transparent and will allow the proposed Receiver to canvass the market broadly on an orderly but expedited basis to obtain the highest and best price in the circumstances;

(b) Raymond James has already conducted an extensive marketing process. The proposed Receiver intends to attempt to re-engage with parties that have participated in the RJ Sale Process, and to identify and contact additional parties that may have an interest in the opportunity;

(c) There should be no delay in commencing the Sale Process – the proposed Receiver has significant knowledge of the business from its role as financial advisor to NBC and marketing materials are contemplated to be completed by the

date of the receivership application or shortly thereafter. Given the Debtors' illiquidity, the proposed Receiver is of the view that it is important to launch the Sale Process immediately;

(d) The Sale Process is flexible and will allow the proposed Receiver to establish procedures it believes necessary to maximize value; and

(e) NBC supports the terms of the Sale Process.

Approval of the Pre-Filing Report

23. The proposed Receiver also seeks aapproval of the Pre-Filing Report and the actions, activities and conduct of the proposed Receiver described therein.

24. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

(a) The Pre-Filing Report of the Receiver; and

(b) such other material as is required and this Court may permit

Date: August 22, 2025

AIRD & BERLIS LLP
Brookfield Place
181 Bay St, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO# 31871V)
Tel: 416-865-7726
Email: sgraff@airdberlis.com

Adrienne Ho (LSO # 68439N)
Tel: (416)637-7980
Email: aho@airdberlis.com

Lawyers for the Applicant and Proposed Receiver

NATIONAL BANK OF CANADA - and - **DROP TECHNOLOGIES INC.. et al.**

Applicant

Respondents

Court File No: CV-25-00749775-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

NOTICE OF MOTION

AIRD & BERLIS LLP
Brookfield Place
181 Bay St, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO# 31871V)
Tel: 416-865-7726
Email: sgraff@airdberlis.com

Adrienne Ho (LSO # 68439N)
Tel: (416)637-7980
Email: aho@airdberlis.com

Lawyers for the Applicant and Proposed Receiver

65516556.2

TAB 2

Report of
KSV Restructuring Inc.
As Proposed Receiver of Drop Technologies Inc.
and Related Companies

August 22, 2025

Contents

Page

1.0 Introduction 1
- 1.1 Purposes of this Report 2
- 1.2 Restrictions 2
- 1.3 Currency 3

2.0 Background 3

3.0 Financial Information 4
- 3.1 Balance Sheet 4
- 3.2 Income Statement 6

4.0 KSV's Prior Mandate 6

5.0 Sale Process 6
- 5.1 Sale Process Recommendation 8

6.0 Conclusion and Recommendation 9

Court File No.CV-25-00749775-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

NATIONAL BANK OF CANADA

APPLICANT

- AND -

DROP TECHNOLOGIES INC. (FORMERLY KNOWN AS DROP LOYALTY INC.), DROP TECHNOLOGIES USA INC., and DROP TECHNOLOGIES ULC

RESPONDENT

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

REPORT OF
KSV RESTRUCTURING INC.
AS PROPOSED RECEIVER

August 22, 2025

1.0 Introduction

1. This pre-filing report (the "**Report**") is filed by KSV Restructuring Inc. ("**KSV**") as proposed receiver and manager of the property, assets and undertaking of Drop Technologies Inc. (formerly Drop Loyalty Inc.) ("**Drop**") and its subsidiaries, Drop Technologies USA Inc. ("**Drop USA**"), and Drop Technologies ULC ("**Drop ULC**") (collectively, the "**Company**").

2. As of the date of this Report, the Company was indebted to National Bank of Canada ("**NBC**") in the amount of approximately US$7.3 million (the "**NBC Facility**"), before interest and costs which continue to accrue. Each of Drop USA and Drop ULC are secured guarantors of Drop's indebtedness owing to NBC.

3. On December 12, 2023, KSV was engaged by NBC to provide advisory services in respect of NBC's loans to the Company (the "**Advisory Mandate**"). The Advisory Mandate included, among other things, reviewing the Company's historical financial information and its financial projections, monitoring the Company's financial performance and considering the Company's restructuring options.

4. On May 8, 2024, the Company and NBC entered into a Forbearance Agreement (the "**Forbearance Agreement**"). The forbearance expired on April 1, 2025.

5. The principal purpose of the forbearance was to allow the Company the opportunity to conduct a sale process for its businesses and assets so that it could complete a transaction that would repay NBC in full.

6. The Company retained Raymond James Ltd. ("**Raymond James**") as its investment banker for the purpose of marketing its business for sale (the "**RJ Sale Process**"). The RJ Sale Process commenced in August 2024 and continues to today. No offers have been submitted in the Sale Process, notwithstanding the long duration and breadth of that process.

7. The principal purpose of the proposed receivership proceedings is to allow the Company's business to continue to operate on a going-concern basis while a Court-supervised sale process (the "**Sale Process**") for the Company's business and assets is carried out by a receiver.

1.1 Purposes of this Report

1. The purposes of this Report are to:

   a) provide background information about the Company;

   b) summarize KSV's role as financial advisor to NBC;

   c) summarize the Sale Process; and

   d) recommend that the Court issue an order (the "**Sale Process Order**") approving the Sale Process.

1.2 Restrictions

1. In preparing this Report, KSV has relied upon the Company's unaudited financial information, books and records, information in the public domain, and discussions with the Company's management ("**Management**"), certain members of the Company's board of directors, NBC, and Raymond James.

2. KSV has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied upon to prepare this Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party (other than the Court) wishing to place reliance on the financial information should perform its own diligence.

3. Additional background information concerning the Company and the events leading to these proceedings is provided in the Affidavit of John Karkoutlian sworn August 20, 2025 (the "**Karkoutlian Affidavit**").

4. If KSV is appointed receiver, all materials filed in these proceedings will be made available on its website at https://www.ksvadvisory.com/experience/case/drop.

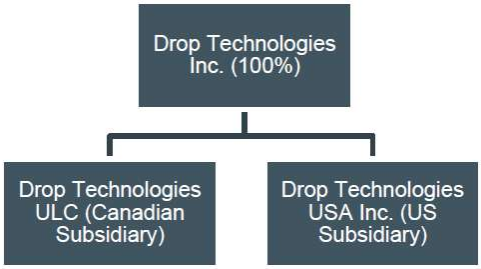
1.3 Currency

1. Currency references are as noted in this Report.

2.0 Background

1. The Company was founded in 2015 by Derrick Fung (Chief Executive Officer) and his brother Darren (Chief Technology Officer) and is headquartered in Toronto, Ontario.

2. The Company's organizational structure is as follows:



   a) Drop is the main operating company and substantially all revenue is generated by this entity.

   b) Drop ULC was founded in 2021 for tax reasons and holds the Company's intellectual property.

   c) Drop USA is the employer of its US-based employees and pays certain US vendors.

3. The Company has developed technology that supports loyalty reward programs. It operates an app-based rewards platform that allows consumers to earn points for purchases made at partner merchants, in exchange for which the Company gains access to detailed, anonymized consumer transaction data. Revenue is generated through three primary streams:

   a) **Drop Mobile App**: Drop operates a mobile application that tracks consumers' debit and credit card purchases made with specific vendors and provides Drop points to consumers based on this spending. Drop points are either funded by external merchants or by the Company itself. When consumers reach certain point thresholds, the points can be redeemed for rewards (known as "**Card-Linked Offers**" or "**CLOs**"). Drop earns revenue from the sale of "Drop points", which are points or reward units issued to their users on behalf of consumer merchants.

b) **Data revenue**: Drop collects debit and credit transactional data from its mobile application and through an arrangement with a US-based consumer financial services company (the "**US Financial Services Company**"). This data provides visibility into consumer spending habits. It sells this data to various users, including hedge funds, investment banks, consulting firms and others. The data is sold as a service or piecemeal.

c) **Channel partnerships**: Drop provides white label targeted CLO services to customers of its channel partners (including financial institutions and/or credit card networks). Drop places campaigns with its channel partners who publish the CLOs to their clients. Drop earns a percentage commission on total merchant budget dollars spent through the marketing campaign which is shared with the channel partners. This is the fastest growing segment of the Company's business.

4. The Company advises that it has approximately one million active app users, and through its strategic relationship with the US Financial Services Company, has access to anonymized spending data for roughly 19 million consumers. The Company's proprietary technology platform integrates app and partner datasets into a unified database.

5. The Company's merchant network spans multiple categories, including retail, travel, and food delivery, and the user base is primarily concentrated in North America.

6. The Company currently has approximately 15 employees, including Derrick Fung.

3.0 Financial Information

3.1 Balance Sheet

1. The balance sheet below reflects the Company's financial position as of April 30, 2025. As noted below, the Company's cash balance was approximately C$1.5 million as of April 30, 2025. It declined to approximately C$203,000 as of July 29, 2025.

(Unaudited; Prepared by Management) Description	**Book Value**[1] (C$000s)
ASSETS:	
Cash	1,515
Accounts Receivable	5,857
Other Assets	112
Total Assets	**7,484**

[1] Points Inventory and a fully offsetting Points Liability are recorded on the Company's internal balance sheet. For presentation purposes, both balances have been excluded from the balance sheet herein. Both balances were C$20.5 million as of April 30, 2025.

LIABILITIES	
Accounts Payable and Accrued Liabilities	8,995
NBC Facility	9,416
Convertible Notes	20,862
Other Liabilities	380
Total Liabilities	**39,653**
DEFICIT	
Share Capital	117,551
Contributed Surplus	4,990
Retained Earnings (Deficit)	(154,710)
Total Deficit	(32,169)
Total Liabilities and Deficit	**7,484**

2. As reflected by the balance sheet, the Company's capital structure is comprised of the following:

   a) approximately C$117.6 million of share capital (common shares and preferred shares) raised in multiple rounds from over 100 investors;

   b) approximately C$20.9 million of convertible debt raised in multiple tranches; and

   c) approximately C$9.4 million (before accrued interest and costs) under the NBC Facility.

3. The balance sheet also reflects:

   a) liabilities exceed assets by more than C$30 million; and

   b) negative retained earnings of approximately C$155 million, reflecting a history of recurring losses.

4. Additionally, most of the Company's vendors are past due and the Company has negotiated payment plans with several of its vendors.

3.2 Income Statement

1. The income statement below reflects the Company's financial results for the two fiscal years ended December 31, 2023, and 2024, and the four-month period ended April 30, 2025.

(Unaudited; Prepared by Management) (C$000s)	YTD April 2025	2024	2023
Sales	6,458	15,189	8,967
Gross Profit	1,513	6,178	3,911
Operating Expenses	2,446	7,832	15,130
Net Loss	**(933)**	**(1,654)**	**(11,219)**

2. As reflected by the table above, the Company has generated and continues to generate significant losses.

3. Since March 2024, the Company's liquidity shortfall has been partially addressed through accommodations from NBC, including deferring substantially all payments of principal and interest since that time.

4.0 KSV's Prior Mandate

1. As noted above, KSV's Advisory Mandate included, amongst other things, reviewing the Company's historical financial results, assessing its financial projections, considering the Company's restructuring options and monitoring the RJ Sale Process.

2. KSV's engagement letter for its Advisory Mandate states that the Advisory Mandate will terminate if KSV is appointed to act in an insolvency proceeding involving the Company, at which point it will be an independent officer of the court, subject to statute and the order appointing it. The Advisory Mandate does not preclude KSV from acting as a court officer in a court-supervised insolvency proceeding involving the Company.

5.0 Sale Process

1. The primary purpose of the receivership is to complete a sale of the Company's business and assets on a timely basis.

2. The recommended Sale Process is summarized in the table below. The complete details of the Sale Process are provided in the Sale Process Order. KSV intends to attempt to re-engage with parties that participated in the RJ Sale Process, and to identify and contact additional parties that may have an interest in the opportunity. KSV will also contact any parties that have expressed an interest directly to the Company, provided KSV is advised of these parties.

3. To be permitted into the process, and to perform due diligence, prospective purchasers will be required to sign a new confidentiality agreement ("**CA**"), even if they signed one during the RJ Sale Process.

4. The Sale Process contemplates that representatives of the Company may participate in the Sale Process. Participants in the Sale Process will be apprised of this possibility as these individuals may also be involved in management presentations to potential bidders. KSV, if appointed Receiver, would attend all management presentations.

5. Given the Company's limited liquidity, offers for the Company's business and assets are to be submitted approximately 30 days after launch of the Sale Process. It is contemplated that offers will be required to be submitted in the form of a template asset purchase agreement ("**APA**") which will be made available in the data room. Changes to the APA will be required to be blacklined or otherwise clearly marked. The proposed timeline is provided in the table below.

Summary of Sale Process		
Milestone	**Description of Activities**	**Timeline**
Phase 1 – Sale Process Materials		
Prepare marketing materials	➢ KSV to prepare a Teaser, CA and virtual data room ("**VDR**")	Pre-Filing and Week 1
Phase 2 – Marketing		
Stage 1	➢ Market introduction, including: • Teaser to be sent to prospective purchasers identified by KSV and to parties who expressed an interest during the RJ Sale Process; • Email canvassing and direct outreach to prospects; and • Correspond with prospective purchasers to market the opportunity and to gauge interest.	Week 1 and 2
Stage 2	➢ KSV to provide information to prospective purchasers that have signed the CA, including access to the VDR and Management meetings, if possible. ➢ KSV to facilitate diligence by prospective purchasers, including by uploading additional information requested by interested parties, as available, to the VDR. ➢ KSV will prepare a template APA, which will be uploaded to the VDR.	Week 1 and 2 to the Bid Deadline
Stage 3	➢ Prospective purchasers to submit APAs or other proposals in the form of the template APA, with changes blacklined.	Approximately 30 days following launch of the Sale Process, subject to such extensions as may be necessary to facilitate the Sale Process, in the discretion of the Receiver, in consultation with NBC.
Phase 3 – Offer Review, Negotiations and Closing		

Summary of Sale Process		
Milestone	**Description of Activities**	**Timeline**
Stage 1	➢ Further bidding - prospective purchasers may be asked to re-submit APAs on one or more occasions to generate the best possible outcome in the process. ➢ The Receiver will have the right to conduct an auction if multiple competitive offers are received. The terms of the auction are included in the Sale Process Order.	As soon as possible after the Bid Deadline. Rounds of bidding to be determined by the Receiver.
Stage 2	➢ Select successful bidder and finalize definitive documents.	Estimated to be one week after the Bid Deadline
Stage 3	➢ Motion for sale approval and close transaction.	As soon as possible after selection of a successful bidder
Stage 4	➢ Close transaction	As soon as possible following Court approval

6. A summary of certain of additional attributes of the Sale Process is as follows:

   a) the Company and its business and assets will be marketed on an "as is, where is" basis;

   b) KSV will have the right to reject all offers, including the highest offer;

   c) KSV, acting reasonably and in consultation with NBC, will have the right to amend the timelines to the extent necessary to generate the best possible results in the Sale Process; and

   d) any transaction will be subject to Court-approval.

5.1 Sale Process Recommendation

1. KSV recommends that the Court issue an order approving the Sale Process for the following reasons:

   a) the contemplated Sale Process is fair, open and transparent and will allow KSV to canvass the market broadly on an orderly but expedited basis to obtain the highest and best price in the circumstances;

   b) Raymond James has already conducted an extensive marketing process. KSV intends to attempt to re-engage with parties that have participated in the RJ Sale Process, and to identify and contact additional parties that may have an interest in the opportunity;

   c) There should be no delay in commencing the Sale Process – KSV has significant knowledge of the business from its role as financial advisor to NBC and marketing materials are contemplated to be completed by the date of the receivership application or shortly thereafter. Given the Company's illiquidity, KSV is of the view that it is important to launch the Sale Process immediately;

d) The Sale Process is flexible and will allow KSV to establish procedures it believes necessary to maximize value; and

e) NBC supports the terms of the Sale Process.

6.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that the Court make an order Granting the relief detailed in Section 1.1(1)(d) of this Report.

* * *

All of which is respectfully submitted,

KSV RESTRUCTURING INC.,
AS PROPOSED RECEIVER OF
THE PROPERTIES, ASSETS AND UNDERTAKINGS OF
DROP TECHNOLOGIES LTD. AND RELATED COMPANIES
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY

KSV Restructuring Inc.

Per: Robert Kofman, President

TAB 3

Court File No. CV-25-00749775-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	<*>, THE <*>RD
	)	
	)	
JUSTICE <*>	)	DAY OF AUGUST, 2025

B E T W E E N:

NATIONAL BANK OF CANADA

Applicant

- and -

DROP TECHNOLOGIES INC. (FORMERLY KNOWN AS DROP LOYALTY INC.), DROP TECHNOLOGIES USA INC., AND DROP TECHNOLOGIES HOLDINGS ULC

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

SALES PROCESS ORDER

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the proposed Court - appointed receiver and manager (in such capacity, the **"Receiver"**) of the assets, undertaking and property of Drop Technologies Inc., Drop Technologies USA Inc., and Drop Technologies Holdings ULC (collectively the **"Debtors"**), pursuant to the *Bankruptcy and Insolvency Act,* R.S.C., 1985, c. B-3, as amended (the **"BIA"),** for an order (this **"Order")** was heard by this Honourable Court (the **"Court")** on this day at 330 University Avenue by videoconference.

ON READING the affidavit of John Karkoutlian sworn August 20,2025 and the Exhibits thereto, the Application Record of the Applicant dated August 20, 2025 (the "**Application**

Record"), and the Factum of the Applicant dated <*>, the pre-filing report of the Receiver dated August 22, 2025 (the "**Pre-Filing Report**"), and on hearing the submissions of counsel for the Lender and such other counsel as were present, no one appearing for any other stakeholder although duly served as appears from the Affidavits of Service of <*> filed;

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Pre-Filing Report.

APPROVAL OF SALE PROCESS

3. **THIS COURT ORDERS** that sale and marketing process set out in Schedule "A" to this order and as described in the Pre-Filing Report (the "**Sale Process**") in respect of the Debtors' assets, undertaking and property (the "**Property**") is approved. The Receiver may take such steps as are necessary or desirable to carry out the Sale Process, provided that any definitive agreement to be executed by the Receiver in respect of the sale of all or part of the Debtors' Property shall require further approval of this Court.

4. **THIS COURT ORDERS** that the Receiver is authorized and directed to take such steps as they deem necessary or advisable to carry out and perform their obligations under the Sale Process and to take such steps and execute such documentation as may be necessary or incidental to the Sale Process.

5. **THIS COURT ORDERS** that any step taken by the Receiver in connection with the Sale Process prior to the date of this Order is approved and ratified.

6. **THIS COURT ORDERS** that the Receiver and their respective assistants, affiliates, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities

result from the gross negligence or willful misconduct in performing their obligations under the Sales Process as determined by this Court.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver and the Companies are hereby authorized and permitted to disclose and transfer to each potential bidder (the "**Bidders**") and to their advisors, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Companies' records pertaining to its past and current employees, but only to the extent desirable or required to negotiate or attempt to complete one or more sales of the Property (each, a "**Sale**"). Each Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver and the Companies, or in the alternative destroy all such information. The Successful Bidder(s) (as defined in the Sale Process) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Successful Bid(s) (as defined in the Sale), shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the Sale in a manner which is in all material respects identical to the prior use of such information by the Companies, and shall return all other personal information to the Proposal Trustee and the Companies, or ensure that all other personal information is destroyed.

RECEIVER'S REPORT

8. THIS COURT ORDERS that the Pre-Filing Report and the actions and activities of the Receiver and its counsel described therein be and are hereby approved; provided that only the Receiver in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of today's date and is enforceable without the need for entry or filing.

_____

SCHEDULE "A" – SALES PROCESS

INTRODUCTION

SCHEDULE "A"

Bidding Procedures for the Sale Process

Introduction

1. Pursuant to the Order of the <*> of the Ontario Superior Court of Justice (the **"Court")** dated <*> (the **"Appointment Order"),** the KSV Restructuring Inc. **("KSV")** was appointed receiver and manager (the **"Receiver"),** without security, of all of the assets, undertakings and properties (the "**Property**") of Drop Technologies Inc., Drop Technologies USA Inc., and Drop Technologies ULC (collectively the **"Debtors"**) acquired for, or used in relation to a business carried on by the Debtors.

2. The Debtors' assets primarily consist of an app-based rewards platform that allows consumers to earn points for purchases made at partner merchants, in exchange for which the Debtors gains access to detailed, anonymized consumer transaction data (the "**Business**").

3. The Appointment Order was made upon application by National Bank of Canada. **("NBC")** pursuant to section 243(1) of the *Bankruptcy and Insolvency Act,* R.S.C. 1985 c. B-3, as amended (the **"BIA")** and section 101 of the *Courts of Justice Act,* R.S.O. 1990, c. C.43, as amended.

4. The Court has granted an order (the **"Sale Process Order")** which approved, amongst other things a Sales and Marketing Process for the sale of all or substantially all of the Debtors' assets, undertakings and properties and business as a going concern or otherwise (the **"Opportunity")** and to complete one or more transactions as contemplated herein. Set forth below are the procedures that shall govern the Sale Process and any transactions consummated as a result thereof.

Defined Terms

5. Capitalized terms used in these Bidding Procedures and not otherwise defined herein have the meanings given to them in the Sales Process Order.

Bidding Procedures

Opportunity

6. Any sale of any of the Property and the Business will be on an "*as is, where is*" basis and without surviving representations or warranties of any kind, nature, or description by the Receiver, the Debtors, NBC, or any of their respective directors, officers, legal counsel, employees, representatives, agents, advisors or estates, and, in the event of a sale, all of the

right, title and interest of the Debtors in and to the Property and the Business to be acquired will be sold free and clear of, *inter alia*, all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders and definitive documents.

7. These Bidding Procedures describe the manner in which Bidders may gain access to due diligence materials concerning the Debtors, the Property and the Business, the manner in which Bidders (as defined below) may participate in the Sale Process, the requirement of and the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder (as defined below) and the requisite approvals to be sought from the Court in connection therewith.

8. The Receiver may at any time and from time to time, modify, amend, vary or supplement the Bidding Procedures, without the need for obtaining an order of the Court or providing notice to Potential Bidder(s), Known Potential Bidder(s), Qualified Bidder(s), Binding Offer Bidder(s) or the Successful Bidder(s) (as each are defined below and collectively the "**Bidders**") provided that such modification, amendment, variation or supplement is expressly limited to changes that do not alter, amend or prejudice the rights of such Bidders and are necessary or useful in order to give effect to the substance of the Sale Process, these Bidding Procedures or the Sale Process Order. Notwithstanding the foregoing, the dates or time limits indicated in the table contained below may be extended by the Receiver, as the Receiver deems necessary or appropriate, or by order of the Court.

9. The Receiver will post on the Receiver's website and serve on the service list maintained in the Court Proceedings, as soon as practicable, any such modification, amendment, variation or supplement to these Bidding Procedures and inform the Bidders impacted by such modifications.

10. The Sale Process will be conducted by the Receiver in the manner set forth herein and in accordance with the Sale Process Order. In the event of a dispute as to the interpretation or application of the Sale Process Order or these Bidding Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute. For the avoidance of doubt, all Bidders shall be deemed to have consented to the jurisdiction of the Court in connection with any disputes relating to the Sale Process, including the qualification of bids, the construction and enforcement of the Sale Process, and closing of a Successful Bid, as applicable.

11. Participants in the Sale Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, the Auction, if any, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

12. A summary of the key dates pursuant to the Sale Process is as follows:

Summary of Sale Process		
Milestone	**Description of Activities**	**Timeline**
Phase 1 – Sale Process Materials		
Prepare marketing materials	➢ KSV to prepare a Teaser, CA and virtual data room ("**VDR**")	Pre-Filing and Week 1
Phase 2 – Marketing		
Stage 1	➢ Market introduction, including: • Teaser to be sent to prospective purchasers identified by KSV and to parties who expressed an interest during the RJ Sale Process; • Email canvassing and direct outreach to prospects; and • Correspond with prospective purchasers to market the opportunity and to gauge interest.	Week 1 and 2
Stage 2	➢ KSV to provide information to prospective purchasers that have signed the CA, including access to the VDR and Management meetings, if possible. ➢ KSV to facilitate diligence by prospective purchasers, including by uploading additional information requested by interested parties, as available, to the VDR. ➢ KSV will prepare a template APA, which will be uploaded to the VDR.	Week 1 and 2 to the Bid Deadline
Stage 3	➢ Prospective purchasers to submit APAs or other proposals in the form of the template APA, with changes blacklined.	Approximately 30 days following launch of the Sale Process, subject to such extensions as may be necessary to facilitate the Sale Process, in the discretion of the Receiver, in consultation with NBC.
Phase 3 – Offer Review, Negotiations and Closing		

Summary of Sale Process		
Milestone	**Description of Activities**	**Timeline**
Stage 1	➢ Further bidding - prospective purchasers may be asked to re-submit APAs on one or more occasions to generate the best possible outcome in the process. ➢ The Receiver will have the right to conduct an auction if multiple competitive offers are received. The terms of the auction are included in the Sale Process Order.	As soon as possible after the Bid Deadline. Rounds of bidding to be determined by the Receiver.
Stage 2	➢ Select successful bidder and finalize definitive documents.	Estimated to be one week after the Bid Deadline
Stage 3	➢ Motion for sale approval and close transaction.	As soon as possible after selection of a successful bidder
Stage 4	➢ Close transaction	As soon as possible following Court approval

Solicitation of Interest: Notice of the Sale Process

13. As soon as reasonably practicable after the Commencement Date,

    a. the Receiver will prepare a list of potential bidders, including (i) parties that have approached the Debtors or the Receiver indicating an interest in the Opportunity, (ii) strategic and financial parties who the Receiver believe may be interested in purchasing all or substantially all of the Business and the Property, and (iii) parties that have showed an interest in the Debtors, the Business and the Property prior to the date of the Sale Process Order, including by way of the previous, out-of-court strategic review process, in each case whether or not such party has submitted a letter of intent or similar document (collectively, the "**Known Potential Bidders**"); and

    b. the Receiver will prepare (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the contemplated process under the Sale Process and inviting recipients of the Teaser Letter to express their interest; and (ii) a non-disclosure agreement in form and substance, which shall enure to the benefit of any purchaser of the Business and the Property (an "**NDA**").

14. As soon as reasonably practicable, after the granting of the Sale Process Order:

    a. a notice of the Sale Process (and such other relevant information which the Receiver considers appropriate) (the "**Notice**") will be published by the Receiver

in one or more trade industry and/or insolvency-related publications as may be considered appropriate by the Receiver;

b. the Receiver will provide the Known Potential Bidders with a copy of the Bidding Procedures approved by the Court.

15. The Receiver will cause the Teaser Letter and NDA to be sent to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Receiver as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Virtual Data Room

16. A confidential virtual data room or rooms (collectively the "**VDR**") in relation to the Opportunity will be made available by the Receiver to Potential Bidders (as defined below) that have executed the NDA. The VDR will be made available as soon as practicable. The Receiver may establish separate VDRs (including "**clean rooms**"), if the Receiver reasonably determine that doing so would further any Potential Bidder's compliance with applicable antitrust and competition laws, or would prevent the distribution of commercially sensitive competitive information. The Receiver may also limit the access of any Potential Bidder to any confidential information in the VDR where the Receiver reasonably determines that such access could negatively impact the Sale Process, the ability to maintain the confidentiality of the information, the Business, the Property or their value.

Qualified Bidders and Delivery of Confidential Information Memorandum

17. Any party, including Known Potential Bidders, who wishes to participate in the Sale Process (a "**Potential Bidder**") must provide to the Receiver at the addresses specified in **Appendix "A"** hereto (including by email transmission), an NDA executed by it, acceptable to the Receiver and written confirmation of the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.

18. A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a "**Qualified Bidder**" if the Receiver, in its reasonable judgment determines such person is likely, based on the availability of financing, experience and other considerations, to be able to consummate a sale transaction pursuant to the Sale Process. All Qualified Bidders will be granted access to the VDR.

19. NBC, the Receiver, the Debtors, and their respective directors, officers, employees, representatives, agents, legal counsel, and advisors, make no representation or warranty as to the information contained in the VDR, Teaser Letter or information otherwise made available pursuant to the Sale Process.

20. At any time during the Sale Process, the Receiver may, in its reasonable judgment eliminate a Qualified Bidder from the Sale Process, in which case such bidder will be eliminated from the Sale Process and will no longer be a "Qualified Bidder" for the purposes of the Sale Process.

21. Potential Bidders must rely solely on their own independent review, diligence, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the Sale Process.

Due Diligence

22. The Receiver, shall, subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property and Business as the Receiver may deem appropriate. Due diligence access may include management presentations, access to the VDR, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Receiver, in its reasonable judgment may agree. Any access or interactions with the Debtors' management and personnel shall be coordinated through, and involve a representative of, the Receiver.

23. The Receiver will designate one or more representatives of the Receiver to be solely responsible for coordinating and responding to all requests for information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. The Receiver, or the Debtors through the Receiver, are not obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidders. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Receiver determines such information to represent proprietary or sensitive competitive information.

Formal Binding Offers

24. Any Qualified Bidder that wishes to make a formal offer to acquire all or substantially all of the Property and the Business, whether through an asset purchase, a share purchase or a combination thereof (either one, a "**Sale Proposal**") must submit a binding offer (a "**Binding Offer**") in the form of a template purchase agreement provided in the VDR, along with a marked version showing edits to the original form of the template provided in the VDR (the "**Binding Offer Bidder**"), in each case, to the Receiver, no later 5 p.m. EST on October 9, 2025 (the "**Binding Offer Deadline**").

25. A Binding Offer will be considered if it contains the following:

    a. provides net cash proceeds on closing;

    b. is submitted on or before the Binding Offer Deadline by a Qualified Bidder;

    c. is made by way of binding, definitive transaction document(s) that is/are executed by the Binding Offer Bidder;

    d. is a Binding Offer: (i) to purchase all or substantially all of the Property and the Business on terms and conditions reasonably acceptable to the Receiver;

    e. identifies any executory contracts of the Debtors that the Binding Offer Bidder will assume, if any, and clearly describes, if applicable, for each contract or on an

aggregate basis, how all monetary defaults and non-monetary defaults will be remedied, as applicable;

f. is not subject to any financing condition, diligence condition or internal or board approval;

g. is unconditional, other than upon the receipt of the Approval Order(s) (as defined below) and satisfaction of any other conditions expressly set forth in the Binding Offer;

h. contains or identifies the key terms and provisions to be included in any Approval Order;

i. contains the Binding Offer Bidder's proposed treatment of employees of the applicable Debtor entities (for example, anticipated employment offers and treatment of post-employment benefits);

j. includes acknowledgments and representations of the Binding Offer Bidder that it: (i) has had an opportunity to conduct any and all due diligence regarding the Opportunity prior to making its Binding Offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property and/or the Business in making its Binding Offer; (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Opportunity or the completeness of any information provided in connection therewith, other than as expressly set forth in the Binding Offer or other transaction document submitted with the Binding Offer; and (iv) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities;

k. provides for evidence satisfactory to the Receiver of funds available to pay the purchase price on closing including written evidence of a firm, irrevocable commitment for financing or other evidence of ability to pay the purchase price on closing;

l. is accompanied by a letter that confirms that the Binding Offer: (i) may be accepted by the Debtors and/or Receiver on the Debtors' behalf by countersigning the Binding Offer, and (ii) is irrevocable and capable of acceptance until the earlier of (A) two (2) Business Days after the date of closing of the applicable Successful Bid; and (B) the Outside Date (as defined below);

m. provides for any anticipated corporate, licensing, securityholder, legal or other regulatory approvals required to close the transaction, and an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals;

n. does not provide for any break or termination fee, expense reimbursement or similar type of payment, it being understood and agreed that no Bidder will be entitled to any bid protections;

o. includes:

i. the specific purchase price in Canadian dollars and a description of any non-cash consideration;

ii. a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;

iii. a specific indication of the sources of capital for the Binding Offer Bidder and the structure and financing of the transaction; and

iv. a description of those liabilities and obligations (including operating liabilities) which the Binding Offer Bidder intends to assume and which such liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction;

p. prior to entering the Auction, if one is held, the Binding Offer Bidder has agreed to deliver to the Receiver a deposit in the amount of not less than 10% of the cash purchase price payable on closing, as the case may be (the "**Deposit**");

q. is accompanied by an acknowledgement that if the Binding Offer Bidder is selected as a Successful Bidder, that the Deposit will be non-refundable subject to approval of such Successful Bid by the Court and the terms described in paragraph 36 below;

r. contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein by no later than the Target Closing Date, or such earlier date as is practical for the parties to close the contemplated transaction, following the satisfaction or waiver of the conditions to closing and in any event no later than November 30, 2025 (the "**Outside Date**"); and

s. includes such other information as reasonably requested or identified as being necessary or required by Receiver.

26. The Receiver, in its reasonable judgment, may waive strict compliance with any one or more of the requirements specified above and consider such non-compliant Binding Offer. For the avoidance of doubt, the completion of any Binding Offer shall be subject to the approval of the Court.

27. In the event that, following the expiry of fifteen days after issuance of the Sale Process Order, the Receiver concludes that there are no active participants in the Sale Process, the Receiver may terminate the Sale Process prior to the Bid Deadline by serving a notice to the service list maintained in the Court Proceedings.

Selection of Successful Bid

28. The Receiver may, following the receipt of any Binding Offer, seek clarification with respect to any of the terms or conditions of such Binding Offer and/or request and negotiate one or more amendments to such Binding Offer prior to determining if the Binding Offer should be considered.

29. The Receiver will (i) review and evaluate each relevant Binding Offer, valued upon numerous factors as referenced above, including factors affecting the speed, certainty and value of the transaction (including any regulatory or legal approvals, assignments or third party contractual arrangements required to close the transactions); and (ii) subject to paragraph 31 below, identify the highest and otherwise best Binding Offer (the "**Successful Bid**", and the Binding Offer Bidder making such Successful Bid, the "**Successful Bidder**").

30. Binding Offer Bidders may be asked to re-submit Binding Offers on one or more occasions to generate the best outcome in the process. The Receiver may but is not obligated to conduct an auction.

31. In the event that an auction (the "**Auction**") is held, it will be conducted in accordance with the procedures set forth in this paragraph:

    a. The Auction will commence at a time to be designated by the Receiver, and may, in the discretion of the Receiver, be held virtually via videoconference, teleconference or such other reasonable means as the Receiver deems appropriate. The Receiver will consult with the parties permitted to attend the Auction to arrange for the Auction to be so held. Subject to the terms hereof, the Receiver, may postpone the Auction.

    b. The identity of each Binding Offer Bidder participating in the Auction will be disclosed, on a confidential basis, to other Binding Offer Bidders participating in the Auction.

    c. Except as otherwise permitted in the Receiver's discretion, only the Receiver and the Binding Offer Bidders, and, in each case, their respective professionals and representatives, will be permitted to attend the Auction. Only Binding Offer Bidders are eligible to participate in the Auction.

    d. Binding Offer Bidders will participate in the Auction through a duly authorized representative.

    e. Except as otherwise set forth herein, the Receiver may waive and/or employ and announce at the Auction additional rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are: (i) not inconsistent with the Sale Process, the Bidding Procedures, or any order of the Court (ii) disclosed to each Binding Offer Bidder; and (iii) designed, by the Receiver, in its reasonable judgment to result in the highest and otherwise best offer.

f. The Receiver may arrange for the actual bidding at the Auction to be transcribed or recorded. Each Binding Offer Bidder participating in the Auction will designate a single individual to be its spokesperson during the Auction.

g. Each Binding Offer Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with the Debtors or any other person, without the consent of the Receiver, regarding the Sale Process, that has not been disclosed to all other Binding Offer Bidders.

h. Prior to the Auction, the Receiver will identify the highest and best of the Binding Offers received and such Binding Offers will constitute the opening bid for the purposes of the Auction (the "**Opening Bid**"). Subsequent bidding will continue in minimum increments as set by the Receiver of the Opening Bid. Each Binding Offer Bidder will provide evidence of its financial wherewithal and ability to consummate the transaction at the increased purchase price.

i. All Binding Offer Bidders will have the right, at any time, to request that the Receiver announce, subject to any potential new bids, the then-current highest and best bid and, to the extent requested by any Binding Offer Bidder, use reasonable efforts to clarify any and all questions such Binding Offer Bidder may have regarding the Receiver's announcement of the then-current highest and best bid.

j. Each participating Binding Offer Bidder will be given reasonable opportunity to submit an overbid at the Auction to any then-existing overbids. The Auction will continue until the bidding has concluded and there is one remaining Binding Offer Bidder. The Receiver shall determine which Binding Offer Bidders has submitted the highest and otherwise best Binding Offer at the Auction, which shall be the Successful Bid. At such time and upon the conclusion of the bidding, the Auction will be closed, and the Binding Offer Bidder with the highest and otherwise best Binding Offer of the Auction will be the Successful Bidder.

k. Upon selection of the Successful Bidder, if any, the Successful Bidder, if any, shall deliver to the Receiver, an amended and executed transaction document that reflects their final bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the motion material for the hearing to consider the Approval Motion.

l. Any bids submitted after the conclusion of the Auction will not be considered.

m. The Receivers shall be at liberty to modify or to set additional procedural rules for the Auction as it sees fit, including to conduct the Auction by way of written submissions.

32. A Successful Bid, if any, will be selected by no later than 5:00 p.m. (Eastern Time) on October 17, 2025 (or such later date immediately thereafter if the Auction is conducted and not completed in one day) and the completion and execution of definitive documentation in respect of such Successful Bid, as applicable, must be finalized and executed no later than

October 27, 2025 (or such later date immediately thereafter if the Auction is conducted and not completed in one day) which definitive documentation will be conditional only upon the receipt of the Approval Order(s) and the express conditions set out therein and will provide that the Successful Bidder will use all reasonable efforts to close the proposed transaction by no later than the Target Closing Date, or such longer period as may be agreed to by the Receiver and the Successful Bidder, subject to the terms hereof. In any event, such Successful Bid must be closed by no later than the Outside Date.

33. For greater clarity, if the Receiver determines in its sole discretion that none of the Binding Offer(s) are suitable to be selected as a Successful Bid, the Receiver has the discretion to terminate the Sales Process, provided any such termination shall only occur after the Binding Offer Deadline.

Approval of Successful Bid

34. The Receiver will apply to the Court (the "**Approval Motion**") for one or more orders: (i) approving the Successful Bid and authorizing the taking of such steps and actions and completing such transactions as are set out therein or required thereby; and (ii) granting a vesting order(s) to the extent that such relief is contemplated by the Successful Bid so as to vest title to any purchased assets and/or shares in the name of the applicable Successful Bidder (the "**Approval Order**"). The Approval Motion will be held on a date to be scheduled by the Receiver and confirmed by the Court upon application by the Receiver. With the consent of the applicable Successful Bidder, the Approval Motion may be adjourned or rescheduled by the Receiver without further notice, by an announcement of the adjourned date at the Approval Motion or in a notice to the service list maintained in the Court Proceedings prior to the Approval Motion.

35. All Binding Offers (other than the Successful Bid) will be deemed rejected on and as of the date of the closing of the applicable Successful Bid, with no further or continuing obligation of the Debtors or the Receiver to any unsuccessful Binding Offer Bidders.

Deposits

36. The Deposit(s):

    a. will, upon receipt from the Binding Offer Bidder(s), be retained by the Receiver and deposited in a non-interest-bearing trust account;

    b. received from the Successful Bidder will:

        i. be applied to the purchase price to be paid by the applicable Successful Bidder whose Successful Bid is the subject of the Approval Order, upon closing of the approved transaction; and

        ii. otherwise be held and refunded in accordance with the terms of the definitive documentation in respect of the applicable Successful Bid, provided that all such documentation will provide that the Deposit will be retained by the Receiver and forfeited by the Successful Bidder, if its

Successful Bid fails to close by the Outside Date and such failure is attributable to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of its Successful Bid; and

c. received from the Binding Offer Bidder(s) that are not a Successful Bidder will be fully refunded to the Binding Offer Bidder(s) that paid the Deposit(s), as applicable, as soon as practical following the closing of the applicable Successful Bid.

"As is, Where is"

37. Any sale of the Property and the Business will be on an "**as is, where is**" basis except for representations and warranties that are customarily provided in purchase agreements for a company subject to court proceedings. Any such representations and warranties provided for in the definitive documents will not survive closing.

Confidentiality

38. For greater certainty, other than as required in connection with any Auction or Approval Motion and subject to paragraph 31.b, the Receiver will not disclose: (i) the identity of any Known Potential Bidder, Potential Bidder, Qualified Bidder, or Binding Offer Bidder; or (ii) the terms of any bid, Sale Proposal, or Binding Offer, to any other bidder or any of its affiliates. Any Known Potential Bidder, Potential Bidder, Qualified Bidder, or Binding Offer Bidder and each of their respective affiliates shall not communicate with, or contact, directly or indirectly, any other Known Potential Bidder, Potential Bidder, Qualified Bidder, or Binding Offer Bidder or their respective affiliates, without the express written consent of the Receiver, and such communications or discussions are to take place under the supervision of the Receiver.

Further Orders

39. At any time during the Sale Process, the Receiver may apply to the Court for advice and directions with respect to any aspect of this Sale Process including, but not limited to, the continuation of or termination of the Sale Process or with respect to the discharge of its powers and duties hereunder.

Additional Terms

40. In addition to any other requirement of the Sale Process:

    a. The Receiver will at all times prior to the selection of a Successful Bid use commercially reasonable efforts to facilitate a competitive bidding process in the Sale Process including, without limitation, by actively soliciting participation by all persons who would be customarily identified as potential bidders in a process of this kind or who may be reasonably proposed by any of the Debtors' stakeholders as a potential bidder.

b. Any consent, approval or confirmation to be provided by the Receiver is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email will be deemed to have been provided in writing for the purposes of this paragraph.

c. Prior to seeking Court approval for any transaction or bid contemplated by this Sale Process, the Receiver will provide a report to the Court on the Sale Process, parts of which may be filed under seal, including in respect of any and all bids received.

41. This Sales Process does not, and will not be interpreted to create any contractual or legal relationship between the Debtors, the Receiver, any other party, other than as specifically set forth in the NDA or any other definitive agreement executed.

42. Notwithstanding anything to the contrary herein, the Receiver, NBC, and the Debtors shall have no liability whatsoever to any person or entity, including without limitation any Known Potential Bidder, Potential Bidder, Qualified Bidder, Binding Offer Bidder, Successful Bidder, or any other creditor or stakeholder as a result of implementation or otherwise in connection with this Sale Process, except to the extent that any such liabilities result from the gross negligence or wilful misconduct of the Receiver as determined by the Court, and all such persons or entities shall have no claim against the Receiver in respect of the Sale Process for any reason whatsoever.

43. Nothing in the Sale Process Order or these Bidding Procedures shall prevent the Debtors or their affiliates from, directly or indirectly, participating in the Sale Process as a Bidder, either alone or in conjunction with other parties.

44. Nothing in the Sale Process Order or these Bidding Procedures shall prevent NBC and their affiliates from financing a Potential Bidder or participating as a Potential Bidder in the Sales Process.

45. The Receiver is entitled to provide NBC, on a confidential basis, with the details of and/or copies of the Binding Offers received and shall be entitled to consult with NBC in respect of such Binding Offers and the Auction, if any, as long as:

a. NBC confirms in writing to the Receiver that NBC and their affiliates are not participating, directly or indirectly, as a Bidder in the Sales Process (other than providing potential financing to a Bidder if requested by a Bidder); and

b. If NBC is potentially financing a Bidder(s) in the Sales Process, NBC confirms in writing to the Receiver that NBC will not provide the Bidder(s) with any information NBC receives from the Receiver regarding other Bidders and the offers they made.

Appendix A:

TO THE RECEIVER:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, PO Box 20,
Toronto, Ontario, M5J 2W4

Attention: Bobby Kofman / Eli Brenner
Email: bkofman@ksvadvisory.com / ebrenner@ksvadvisory.com

WITH A COPY TO:

Aird & Berlis LLP
Brookfield Place
181 Bay St., Suite 1800
Toronto, ON, Canada
M5J 2T9

Attention: Steven L. Graff/ Adrienne Ho
Email: sgraff@airdberlis.com/ aho@airdberlis.com

NATIONAL BANK OF CANADA - and - **DROP TECHNOLOGIES INC. et al.**

Applicant

Respondents

Court File No. CV-25-00749775-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

SALES PROCESS ORDER

AIRD & BERLIS LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO # 31871V)
Tel: 416-865-7726
Email: sgraff@airdberlis.com

Adrienne Ho (LSO # 68439N)
Tel: 416-637-7980
Email: aho@airdberlis.com

Lawyers for the Applicant and Proposed Receiver

65515199.4

TAB 4

SERVICE LIST
(Current as of Aug 20, 2025)

TO:	**AIRD & BERLIS LLP** Brookfield Place 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9 **Steven L. Graff** Tel: 416-865-7726 Email: sgraff@airdberlis.com **Adrienne Ho** Tel: 416-637-7980 Email: aho@airdberlis.com *Lawyers for the Applicant and Proposed Receiver*
AND TO:	**KSV RESTRUCTURING INC.** 220 Bay St. Suite 1300 Toronto, ON M5J 2W4 **Bobby Kofman** Tel: 416-932-6228 Email: bkofman@ksvadvisory.com Eli Brenner Tel: 416-932-6028 Email: ebrenner@ksvadvisory.com *Proposed Receiver*
AND TO:	**DROP TECHNOLOGIES INC.** 120 Front Street East Suite 200 Toronto, ON M5A 4L9 **Derrick Fung** Email: derrick@joindrop.com; derrick@cardify.ai *Respondent*
AND TO:	**DROP TECHNOLOGIES HOLDINGS ULC** 2700, 255 – 6th AVENUE SW Calgary, AB T2P 1N2

	Derrick Fung Email: derrick@joindrop.com *Respondent*
AND TO:	**DROP TECHNOLOGIES USA INC.** 251 Little Falls Drive Wilmington, New Castle Delaware 19808 United States and 110 E 25th St. New York, NY 10010 United State **Derrick Fung** Email: derrick@joindrop.com *Respondent*
AND TO:	**ONTARIO MINISTRY OF FINANCE** Legal Services Branch 33 King Street West, 6th Floor Oshawa, ON L1H 8H5 Email: insolvency.unit@ontario.ca
AND TO:	**CANADA REVENUE AGENCY** c/o Department of Justice Ontario Regional Office the Exchange Tower, Box 36 130 King Street West, Suite 3400 Toronto, ON M5X 1K6 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

PPSA Registrants

AND TO:	**ROYAL BANK OF CANADA** 36 York Mills Road, 4th Floor Toronto ON M2P 0A4 and 200 Bay Street Toronto, ON M5J 2J5
AND TO:	**NEW ENTERPRISE ASSOCIATES 16, L.P.** 1954 Greenspring Dr., Suite 600 Timonium, MD 21093 United States
AND TO:	**KENSINGTON VENTURE FUND II, L.P.** 95 St. Clair Ave. West #905 Toronto, ON M4V 1N6
AND TO:	**ROGUE INSIGHT CAPITAL LTD.** 3100 Steeles Avenue East, Suite 601 Markham, ON L3R 8T3
AND TO:	**KENSINGTON PRIVATE EQUITY FUND** **KENSINGTON (PARALLEL) VENTURE FUND II, L.P.** 95 St. Glair Avenue West, Suite 905 Toronto, ON M4V 1N6
AND TO:	**SIERRA VENTURES XI L.P.** 1400 Fashion Island Blvd, Suite 1010 San Mateo, CA 94404 United States
AND TO:	**FF SAPPHIRE OPPORTUNITY FUND II, LLC** Po Box 10188 Suite 31732 Newark, NJ 071013188 United States
AND TO:	**SYNCHRONY FINANCIAL** 777 Long Ridge Road Stamford, CT 06902 United States

AND TO:	**BROADER MEDIA HOLDING, LLC** 125 West 55th Street, 11th Floor New York, NY 10019 United States
AND TO:	**DROP DIRECT, LLC** 524 West 19th Street, 2nd Floor New York, NY 10011 United States

Email List:

sgraff@airdberlis.com; aho@airdberlis.com; bkofman@ksvadvisory.com; ebrenner@ksvadvisory.com; derrick@joindrop.com; derrick@cardify.ai; insolvency.unit@ontario.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

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NATIONAL BANK OF CANADA
Applicant

- and -

DROP TECHNOLOGIES INC.. et al.
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AIRD & BERLIS LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO# 31871V)
Tel: 416-865-7726
Email: sgraff@airdberlis.com

Adrienne Ho (LSO# 68439N)
Tel: 416-637-7980
Email: aho@airdberlis.com

Lawyers for the Applicant and Proposed Receiver