Clerk's Stamp

COURT FILE NUMBER	2401-01216
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ATB FINANCIAL
DEFENDANTS	APEX NUTRI-SOLUTIONS INC., 2175551 ALBERTA LTD., STEVEN HERBERT, DAVID HERBERT, MURRAY HERBERT AND CAROLYN HERBERT
APPLICANT	BDO CANADA LIMITED, in its capacity as Interim Receiver of Apex Nutri-Solutions Inc. and Receiver and Manager of APEX NUTRI-SOLUTIONS INC. and 2175551 ALBERTA LTD.
DOCUMENT	**FOURTH REPORT OF THE RECEIVER BDO CANADA LIMITED SEPTEMBER 15, 2025**

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FOURTH REPORT OF THE RECEIVER
BDO CANADA LIMITED
SEPTEMBER 15, 2025

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APPENDICES

INTRODUCTION

1. On February 20, 2025, upon application by ATB Financial ("**ATB**"), BDO Canada Limited ("**BDO**") was appointed as the interim receiver (the "**Interim Receiver**") in respect of Apex Nutri-Solutions Inc. ("**Apex**") pursuant to an order (the **"IR Order**") granted by the Court of King's Bench of Alberta (the "**Court**"). On March 14, 2025, the Court granted a subsequent order (the "**IR Extension Order**") extending the Termination Date as defined in the IR Order to April 2, 2025.

2. On February 20, 2025, BDO was also appointed as receiver and manager (hereafter, in any such capacity, the "**Receiver**", or specifically in respect of 217 AB (the "**217 Receiver**") over all of the assets, undertakings and property of 2175551 Alberta Ltd. ("**217 AB**") pursuant to an order (the "**217 AB Receivership Order**") granted by the Court.

3. On March 25, 2025, BDO as the Interim Receiver of Apex, filed a report, dated March 24, 2025 (the "**Interim Receiver's Report**"), in advance of an application made by ATB at which the Court granted the following relief:

   (a) An order (the "**Apex Receivership Order**") appointing BDO as Receiver (the "**Apex Receiver**") over all of the assets, undertakings and property of Apex which terminated the Interim Receivership pursuant to the IR Order and the IR Extension Order;

   (b) An order (the "**Herbert Receivership Order**") appointing BDO as Receiver (the "**Herbert Receiver**") over certain property of Murray and Carolyn Herbert (hereafter, the "**Herberts**"), including three parcels of land (collectively, the "**Herbert Lands**"), plus all of the Herbert's equipment, inventory, crops, fixtures and other property produced from, found upon or used by the Debtors in connection with the Herbert Lands wherever situate, including all proceeds thereof (collectively, the "**Herbert Property**").

4. On April 14, 2025, the Receiver filed its first report (the "**Receiver's First Report**") providing the Court with, *inter alia*:

   (a) background information on Apex and 217 AB, as well as the property subject to these receivership proceedings; and

   (b) details of the Receiver's application scheduled for April 17, 2025 (the "**Tender Process Application**") seeking the Court's approval of the Receiver's proposed sales process (the "**Tender Process**") through the engagement of CLHBid as sales agent ("**CLHBid**") in respect of Parcel #1 and Parcel #2 (collectively, the "**Initial Herbert Lands**").

5. On April 16, 2025, in advance of the Tender Process Application, the Herberts served the Receiver with a cross application (the "**Cross-Application**") seeking, *inter alia*, the following relief:

(a) An Order setting aside the Tender Process;

(b) An Order authorizing the sale of Parcel #1 and Parcel #2 jointly for $2,300,000 with a closing date of May 6, 2025;

(c) In the alternative, an Order authorizing the sale of Parcel #1 for $1.35 million and Parcel #2 for $1.05M, for a combined value of $2,400,000; and

(d) An Order compelling the Receiver to negotiate with Mr. Boese's $1.1M offer (the "**Unsolicited Offer**") for the Apex Lands and Equipment.

6. On April 17, 2025, the Receiver prepared and filed a supplement to the Receiver's First Report (the "**Supplement to the First Report**") to provide the Court with, *inter alia*, additional information in respect of the Cross-Application.

7. On April 17, 2025, the Court adjourned both the Tender Process Application and the Cross-Application, *sine die*.

8. The Receiver and the Herberts subsequently reached agreement regarding the sale of Parcel #1 and Parcel #2. That sale was approved by means of an Approval Order granted by the Honourable Justice D.R. Mah on May 5, 2025, and (as more particularly described in the Third Report of the Receiver dated August 14, 2025) closed on or about May 30, 2025. BDO was subsequently discharged as Receiver of the Herbert lands by the Order of the Honourable Justice C.D. Simard on August 25, 2025.

9. On June 24, 2025, the Receiver's counsel received confirmation from the Court that counsel for Apex and the Herberts had scheduled a hearing for July 9, 2025, before the Honourable Justice Johnston, for an "Application to compel receiver to accept sales offer, and for primary creditor to provide an unredacted bill of costs".

10. On Wednesday, July 2, 2025, the commercial coordinator for the Court (the "**Commercial Coordinator**") corresponded with counsel noting that no materials had been received despite having been due on Monday, June 30, 2025. The Commercial Coordinator also reiterated that Justice Johnston is conflicted from hearing maters from Dentons (which firm is counsel to ATB in this matter).

11. On July 4, 2025, the Commercial Coordinator further corresponded with counsel advising that the booking for July 9, 2025, was cancelled and asked for counsel to communicate with respect to a new date for a rescheduled application, following which the Receiver booked one of the suggested Court dates.

12. On August 15, 2025, the Interim Receiver and Receiver of the various entities filed its third report (the "**Receiver's Third Report**"), providing the Court with, *inter alia*, details of the Receiver's application scheduled for August 25, 2025, in which it sought and received, the Court's approval of:

(a) The activities of the Interim Receiver, the Herbert Receiver, the Apex Receiver and the 217 AB Receiver as such activities were before the Court;

(b) The professional fees of the Interim Receiver, the Herbert Receiver, the Apex Receiver and the 217 AB Receiver, together with that of its counsel in each matter;

(c) The Herbert SRD and the Holdback SRD; and

(d) The discharge of the Herbert Receiver and termination of those proceedings to be effective upon the Receiver filing a discharge certificate with the Court.

13. The purpose of this report (the "**Fourth Report**") is to provide the Court with:

(a) Details of discussions, directly and through counsel, with Mr. Calvin Boese ("**Mr. Boese**"), leading to a transaction (the "**2744 AB Transaction**") entered into between the Receiver (as "**Vendor**") and 2744789 Alberta Ltd. ("**2744 AB**" or the "**Purchaser**") to acquire the Receiver's interest in the shares of Apex and certain other assets and the circumstances leading to such transaction;

(b) Details of the Receiver's discussions with stakeholders as it relates to the 2744 AB Transaction;

(c) Details pertaining to the Apex Lands and Apex Equipment (as defined and discussed below), together with Receiver's comments with respect to expectation of value with respect to same;

(d) The Receiver's comments as it relates to the form of the 2744 AB Transaction being structured as a Reverse Vesting Order ("**RVO**"); and

(e) The Receiver's recommendations thereon.

14. Concurrent with the filing of this Fourth Report, the Receiver will be filing a confidential supplement (the "**Confidential Supplement to the Fourth Report**") detailing confidential and commercially sensitive information with respect to the Receiver's comments concerning its expectations of value, both of which would have a material effect on any subsequent transaction in the event that the 2744 AB Transaction does not close.

15. In the event the 2744 AB Transaction does not close, the assets may be subject to further marketing and the Receiver's ability to obtain the highest and best price possible in the circumstances would be severely compromised due to the confidential and commercially sensitive information being in the public domain. Disclosure of the information contained in the Confidential Supplement to the Fourth Report would cause irreparable prejudice to the creditors and other stakeholders of the Companies. As a result, the Receiver will be seeking a further order sealing the Confidential Supplement to the Fourth Report until the Receiver files a certificate confirming that each transaction has closed, if this Court so grants such requested relief.

16. Unless otherwise indicated, capitalized terms not defined in this Fourth Report are as defined in the Affidavit of Mr. Rehman Mulji of ATB sworn on January 5, 2025 (the "**Initial Mulji Affidavit**"), the Interim Receiver's Report, the Receiver's First Report, the Supplement to the First Report, the Receiver's Second Report, the Receiver's Third Report, the 217 AB Receivership Order, the Apex Receivership Order, the Herbert Receivership Order or the 2744 Transaction Agreement, as applicable. All references to currency are in Canadian dollars unless otherwise noted.

17. This Receiver's Fourth Report, together with other information and filings regarding these proceedings, will be posted on the Receiver's website at: http://www.bdo.ca/Apex.

<u>TERMS OF REFERENCE</u>

18. In preparing this Fourth Report, the Receiver has relied upon unaudited financial or other information provided by the stakeholders and/or its discussions with stakeholders, and information from industry experts, among other sources of information (the "**Information**").

19. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Handbook. Accordingly, the Receiver expresses no opinion or any other form of assurance in respect of the Information referred to or used in the Fourth Report.

20. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction or use of the Fourth Report.

BACKGROUND

217 AB

21. 217 AB was incorporated on February 26, 2019. Its directors are David Herbert, Steven Herbert and Murray Herbert, and its shareholders are Murray Herbert, Kaylin Herbert, Tammy Herbert, Steven Herbert, David Herbert and Carolyn Herbert (the "**Herbert Family**").

22. 217 AB was established for the sole purpose of purchasing and holding the shares of Apex by the Herbert Family. Accordingly, 217 AB's only material asset is the shares of Apex (the "**Apex Shares**").

Apex

23. Apex was incorporated in the Province of Alberta on November 20, 2003. Its directors are David Herbert, Steven Herbert and Murray Herbert, and its sole shareholder is 217 AB.

24. In June of 2019, the Herbert Family, through 217 AB, acquired the Apex Shares from the former owners, Calvin and Cheryl Boese.

25. Apex's business activities included crushing canola to make canola oil and meal, extruding to make a component of animal products, roasting soybean meal for animal feed, and raising broiler chickens. These operations ceased prior to the Apex Receivership Order, as detailed in the Interim Receiver's Report.

26. Apex's material asset is real property, municipally described as 19543 TWP RD 440, Edberg, Alberta and legally described as follows:

> PLAN 1820044
> BLOCK 1
> LOT 1
> EXCEPTING THEREOUT ALL MINES AND MINERALS
> AREA: 8.53 HECTARES (21.08 ACRES) MORE OR LESS (the "**Apex Lands**").

27. The Apex Lands encompass approximately 21 acres of land and includes the following structures:

    (a) An approximate 3,620 square foot feed mill facility (built between 2006–2012), which was used for the canola pressing, milling, and extrusion processes previously conducted by Apex. As a result of a major fire incident in 2022, certain processing equipment and parts of the outside building structure were significantly damaged, such that Apex was forced to cease two of its business segments. Apex had purchased certain panelling to repair the outside of this facility; however, these panels were never installed, and no further remediation work was completed to repair any of the fire damage to the feed facility;

(b) An approximate 14,520 square foot poultry broiler barn (built in 1996), with adjacent feed storage, custom built for a broiler chicken operation;

(c) Two dwellings where two shareholders/employees and their families currently reside. One is approximately 2,610 square feet and the other is approximately 1,948 square feet. As there was no formal tenancy agreement in place between the shareholders/employees and Apex, the Receiver has entered into tenancy agreements with the occupants for their continued use of the Apex Lands;

(d) An approximate 2,960 square foot storage shed; and

(e) An approximate 832 square foot storage garage, a 1,645 square foot livestock barn, a 2,960 square foot machine shed, and an additional 1,120 square foot shop.

28. In addition to the Apex Lands, Apex also owns various trucks, tractors, grain storage bins and tanks located at the Apex Lands as well as equipment formerly used in the mill facility prior to the fire in such facility (collectively, the "**Apex Equipment**").

ATB Indebtedness

29. As indicated in the previous reports of the Receiver, ATB was granted various security interests over the assets of Apex and 217 AB, together with guarantees from David Herbert, Murray Herbert and Carolyn Herbert secured by certain personal property of the guarantors.

30. Following the sale of Parcel #1 and Parcel #2 and the satisfaction of the obligations of Murray and Carolyn Herbert to ATB which had been secured by those properties, ATB advises that as of July 11, 2025, ATB is owed approximately $2,034,310 plus accruing interest and costs, plus all amounts advanced to fund the Receivership and secured by the Receiver's Borrowings Charge. The Receiver is not seeking approval for a distribution of any funds at this time. More fulsome reporting with respect to the ATB Indebtedness will be provided as and when required.

31. The Receiver is not aware of any creditors with claims ranking ahead of ATB. Based on the unaudited books and records of Apex, approximately $331,171 is owed to Apex's unsecured creditors.

CIRCUMSTANCES LEADING TO THE 2744 AB TRANSACTION

32. As noted in the First Report of the Interim Receiver, a third party (whom the Receiver can now say was Mr. Boese) expressed an interest in entering into a lease arrangement for the Apex barn to raise chickens due to what was represented to the Interim Receiver to be a shortage of chicken barn space. However, following consultation with the Interim Receiver as to the potential economics of such a transaction, Management expressed serious concerns with respect to their ability to have the barn brought up to a suitable heat, and other logistical challenges, such that placing a flock on relatively short notice gave rise to a risk that there could be an unacceptable level of chicken fatalities.

33. Mr. Boese advised the Receiver of his interest in potentially acquiring the Apex Lands, to which the Receiver noted his interest and advised that he would be contacted when the Receiver was in a position to begin a sales process. The Receiver informed Mr. Boese at that time that absent an extremely strong offer sufficient to retire all or nearly all of the secured creditor's indebtedness, it is typically difficult for the Receiver to recommend an offer to the Court without supporting evidence as to the reasonableness of such offer.

34. Based on discussions with Mr. Boese, the Receiver understands that Mr. Boese built the Apex mill and sold the property to the Herberts and therefore is familiar with the Apex Lands. Mr. Boese also owns certain lands surrounding the Apex Lands.

35. For the above reasons, together with his expressed interest, Mr. Boese, or an affiliated entity, would be considered to be a logical and likely interested purchaser of the Apex assets.

Original Unsolicited Offer

36. As outlined in the Supplement to the First Report, on April 7, 2025, counsel to the Defendants (who are now also counsel to 2744 AB), provided the Receiver with a copy of an Offer to Purchase (the "**Original Unsolicited Offer**") contemplating a purchase from Calvin Boese (or assignee) as purchaser and Apex and 217 AB as Vendors, with *inter alia*, the following material terms:

(a) Purchased Assets:

i. Apex Lands and Equipment;

ii. Option to acquire the issued and outstanding common shares of Apex from 217 AB;

b) Deposit of $75,000 payable immediately on signing, $35,000 payable on Condition Date (as defined therein);

c) Purchase price of $1,100,000 plus GST;

d) Conditional upon:

1. Receipt of a Court Order authorizing the sale of the Apex Lands and Equipment free and clear of, *inter alia*, all mortgages, liens and charges;

2. Purchaser being satisfied with and being prepared to accept title to the Land, subject to the permitted encumbrances;

3. While not conditional, the form of purchase and sale agreement also contained an inspection clause.

e) The Original Unsolicited Offer also contemplated that the vendors shall be unconditionally released by ATB Financial of any and all obligations of the vendors to ATB Financial.

Receiver's Comments with respect to the Original Unsolicited Offer

37. Following receipt of the Original Unsolicited Offer, the Receiver engaged in discussions with ATB. ATB was of the view (and the Receiver, upon careful consideration, agreed) that while Mr. Boese was a likely purchaser for the reasons outlined above, in light of the uncertainties in value as a result of the competing appraisals (as described below), and the fact that the Receiver had not yet exposed the assets to the market or obtained alternative indications of value, the Receiver was not in a position to recommend acceptance of the Original Unsolicited Offer to the Court at that time.

38. As a result, in responding to the Original Unsolicited Offer, the Receiver advised that it was not in a position to recommend an offer to the Court at a value of $1.1 million without exposing the property to the market. The Receiver informed Mr. Boese that should wish to submit a higher offer, the Receiver would consider entering into a form of stalking horse offer which would allow Mr. Boese to access the lands while the Receiver markets the property, provided that an acceptable agreement on purchase price was reached, together with an acceptable occupancy agreement with a reasonable termination clause in the event Mr. Boese was not the ultimate purchaser.

Tenancy Agreements

39. As indicated in the Interim Receiver's Report, included on the Apex Lands are two dwellings where two shareholders/employees and their families currently reside. The Receiver was advised that no formal tenancy agreements existed regarding their occupancy.

40. In the Receiver's view based on its experience, interested parties potentially interested in acquiring the Apex Lands may view an undocumented landlord/tenant relationship involving the former borrowers as an impediment to obtaining clear title and a timely closing of a transaction for the Apex Lands. As a result, the Receiver worked with its counsel to develop and negotiate a form of tenancy agreement with the shareholders/employees which would provide some certainty as to terms on which the dwellings could be vacated should a potential purchaser seek vacant possession. The Receiver's proposed forms of tenancy agreements were provided to the tenants on May 15, 2025. Initial comments were received from the tenants' counsel on June 6, revised drafts were delivered to tenants' counsel on June 13, further comments were received on June 23, execution versions were delivered on June 24, and signed tenancy agreements were received on July 2, 2025.

Second Unsolicited Offer

41. As noted above, on June 23, 2025, counsel for the Defendants scheduled a pre-emptive application for July 9, 2025 seeking to compel the Receiver to accept a sales offer, with their correspondence to the Court noting that they intended on relying on an affidavit of Murray Herbert to be filed. Following the cancellation of the court date by the Commercial Coordinator due to a failure of the Defendants to file materials in accordance with the practice note, the Receiver followed up with counsel for the Defendants requesting a copy of the offer which it had sought to compel the Receiver to accept.

42. On July 9, 2025, following the Receiver's discussion with Mr. Boese, counsel to Mr. Boese forwarded an unsigned copy of a second offer (the "**Second Unsolicited Offer**") made by Mr. Boese for the shares and assets of Apex with, *inter alia*, the following material terms:

(a) Purchased Assets:

  i. Apex Lands and Equipment;

  ii. Apex Shares;

(b) Deposit of $75,000 payable immediately on signing, $35,000 payable on Condition Date (as defined therein);

(c) Purchase price of $1,100,000 plus GST;

(d) Conditional upon:

  1. Inspection of lands and equipment;

  2. Purchaser satisfaction of Receiver's capacity and authority to convey good and marketable title to the Lands and Equipment;

3. Purchaser's satisfaction of 217 AB's capacity and authority to transfer good and marketable title to the Apex shares, free and clear of all encumbrances, liens, charges, and claims;
4. Court Order to the satisfaction of the Purchaser, inter alia; discharging the Receiver within a reasonable period of time from closing.

Receiver's Comments with respect to the Second Unsolicited Offer

43. Upon review of the Second Unsolicited Offer, the Receiver noted that the proposed purchase price was unchanged from that originally rejected by the Receiver following consultation with ATB. The Receiver also noted that the proposed form of agreement contained numerous representations and warranties to be given by the Receiver which the Receiver would not have been in a position to give.

44. In subsequent negotiations, the Receiver (in consultation with ATB) and Mr. Boese agreed in principle to an increase to the purchase price to that contemplated by the 2744 AB Transaction (as more particularly described in the Confidential Supplement to the Fourth Report, together with the Receiver's comments with respect to the commercial reasonableness with respect to same).

45. Following the agreement in principle regarding purchase price, the Receiver (through its legal counsel) entered into discussions with counsel to the purchaser regarding a structure for the transaction which would accomplish the purchaser's objective of acquiring both the shares and assets of Apex, without compromising the interests of the stakeholders in the receivership or having the liabilities of Apex continue after closing. The purchaser ultimately concluded that a Reverse Vesting Order ("**RVO**") structure was the most advantageous and beneficial for acquiring the assets of Apex and required that the transaction proceed through an RVO.

2744 AB TRANSACTION

46. The material terms of the 2744 AB Transaction Agreement include, *inter alia*, the following:

(a) Purchased assets to be the Vendor's right, title, and interest, if any, in the shares of Apex and the Vended Assets, being those appended as Schedule A to the 2744 AB Transaction which are in the possession or control of the Vendor;

(b) Purchase price to be disclosed to the Court through the Confidential Supplement to the Fourth Report;

(c) Non-refundable deposit in the amount of $110,000 to be paid by the Purchaser to the Vendor's solicitor, within 5 Business Days following the Effective Date of the Agreement, being September 11, 2025;

(d) Purchaser acknowledges that it is purchasing the Target Shares, and having Apex retain the Retained Assets, the Retained Contracts and the Retained Liabilities, and is purchasing the Vended Assets and assuming the Assumed Liabilities, on an 'as is, where is' basis;

(e) Certain assets of Apex are defined as "Excluded Assets" and will be transferred to 217 AB;

(f) Conditional upon the Court issuing and entering an RVO, which shall not have been stayed, set aside or vacated and no application, motion or other proceeding shall have been commenced seeking the same;

(g) Closing Date of 10 days after the date upon which the conditions have been satisfied or waived, other than any conditions that by their terms are to be satisfied or waived at closing (or such other earlier or later date as may be agreed in writing)

47. The copy of the 2744 AB Transaction Agreement, with the purchase price redacted, is attached as **Appendix** "**A**".

APPRAISALS AND OTHER COMMENTS WITH RESPECT TO VALUE

Appraisals

48. As described in the Supplement to the First Report but included herein for the Court's convenience, the Receiver is aware of two appraisals conducted of certain assets of Apex; the Colliers Appraisal commissioned by counsel to the Defendants, with an effective date of May 10, 2024 as included in the May 26 Herbert Affidavit, and the Frost Appraisal commissioned by counsel to ATB, with an effective date of December 5, 2023 as included in ATB's undertaking responses filed February 3, 2025. The Receiver's high-level comments on these two appraisals are as follows:

(a) The Frost Appraisal ascribes a value of $950,000 for land & value improvements. However, the Frost Appraisal contains the extraordinary assumption that the Apex equipment and chattels are excluded from the final opinion of value, as is the seed processing building given the fire damage and non-operational status of such building.

i. As described in the Confidential Supplement to the Fourth Report, the Receiver has engaged the services of a licensed auctioneer to obtain comments as to potential value of certain of the Apex Equipment in support of its evaluation of the purchase price contemplated by the 2744 AB Transaction.

(b) The Colliers Appraisal ascribes a forced sales 'as is' value of $1,700,000 for the Apex assets which appears to include the equipment and chattels in its valuation determination, prior to ultimately selecting the ultimate valuation approach.

49. The Receiver's usual best practice when seeking Court approval for a sale of assets is to seek a sealing order for confidential or commercially sensitive information, such as that contained in appraisals, so as to not negatively impact the marketing of the assets subject to the appraisals should a transaction not close. However, in the current instance, both the Frost Appraisal and the Colliers Appraisal have been put into evidence through the ATB Undertaking Responses and the March 26 Herbert Affidavit, respectively; therefore, the Receiver has not sought such relief.

50. The Receiver notes that in the Cross-Application, the Defendants sought a direction from the Court that the Receiver may not rely upon, reference or disclose the Colliers Appraisal in any application, report or sales process.

51. While the Receiver acknowledges that the Defendants argued that ATB raised certain concerns with respect to the Colliers Appraisal, it respectfully suggests that the Colliers Appraisal forms one part of an available data set for the Receiver to begin to assess value, particularly absent the completion of an appropriate exposure to the market, or other procedures to establish potential market value.

Receiver's other comments with respect to value

52. The Receiver has not conducted a formal sales process for the property proposed to be sold in the 2744 AB Transaction. The Receiver has therefore looked to other means to ascertain the commercial reasonableness of the transaction.

53. The Receiver obtained a third-party appraisal (the "**Receiver's Appraisal**") of a substantial majority of the Apex Equipment and also consulted with a real estate agent concerning the Apex Lands to provide a further updated independent value indication of such assets (the "**Realtor Comments**") to supplement that as contained in the above appraisals.

54. Additionally, while the same was not part of a formal sales process, the Receiver did enter into discussions with a party known to the Receiver as having interest and experience transacting for unique assets within Receivership proceedings to determine whether such individual (the "**Potential Stalking Horse Party**") would be willing to submit an offer for the assets and if so, the approximate value of such an offer and whether they would allow such offer to form the basis for a stalking horse sales process.

55. The Receiver's Appraisal, Realtor Comments and comments of the Potential Stalking Horse Party contain confidential and commercially sensitive information which would be expected to have a material effect on any subsequent transaction for the assets in the event the 2744 AB transaction does not close. Further information is therefore contained in the Confidential Supplement to the Fourth Report, which the Receiver requests to remain sealed on the Court file until the Receiver files a certificate confirming that the 2744 AB Transaction has closed, if this Court so grants such requested relief.

RECEIVER COMMENTS ON THE 2744 AB TRANSACTION

56. The Receiver is of the view that the 2744 AB transaction is commercially reasonable in the circumstances for the following reasons:

(a) The Receiver was authorized by this Court to market and sell any or all of the Property of 217 AB and Apex subject to the sale authorization limits in the 217 AB Receivership Order and the Apex Receivership Order;

(b) The Receiver is of the opinion that the purchase price contemplated by the 2744 AB Transaction Agreement is commercially reasonable based on the value indicators obtained by the Receiver through the Receiver's Appraisal, the Realtor Comments and the value ascribed by the Potential Stalking Horse Party;

(c) The 2744 AB is superior to both Original Unsolicited Offer and the Second Unsolicited Offer, both of which the Receiver understands were supported by the former representatives of the Company;

(d) The Receiver also understands that ATB supports the 2744 AB Transaction in the circumstances; and

(e) The 2744 AB was negotiated between the parties at arm's length, in good faith.

APPROVAL AND REVERSE VESTING ORDER

Reverse Vesting Structure

57. The proposed RVO contemplates the following:

(a) The use of 217 AB as residual company into which Excluded Assets and Excluded Liabilities will be transferred and vest;

(b) The Vendor will transfer the Vended Assets and Assumed Liabilities to the Purchaser, and the Vended Assets and Assumed Liabilities shall vest in the Purchaser;

(c) The Vendor shall transfer its right, title and interest in the issued and outstanding shares of Apex to the Purchaser;

(d) The purchase price shall be released to the Vendor;

(e) Closing shall be deemed to have occurred, and Apex shall cease to be an applicant in the Receivership Proceedings.

Receiver's view on the appropriateness of the RVO

58. The Receiver considered the following four guidelines in concluding that the RVO is appropriate in the circumstances:

(a) Is the RVO necessary?

i. 2744 AB has advised that it seeks the Apex Shares to allow for an expedited and efficient means for 2744 AB to re-instate use of the poultry barns for poultry operations as without acquiring the shares, an acquiring party would need to incur the time and cost to draft and submit new standard operating procedures to allow for continued usage as it relates to both food safety and animal welfare and safety.

(b) Does the RVO structure produce an economic result at least as favourable as any other viable alternative?

i. Based on third party evidence including the Receiver's Appraisal, the Realtor Comments, and the value ascribed by the Potential Stalking Horse Offer, all as described in the Confidential Supplement to the Fourth Report, the Receiver is of the opinion that the transaction value contemplated by the 2744 AB is commercially reasonable and there is no certainty that a materially more favourable result may result from the incremental time and cost of administering a fulsome marketing process and a traditional approval and vesting order.

(c) Is any stakeholder worse off under the RVO structure than they would have been under another viable structure?

i. The Receiver is not aware of any stakeholder that would be worse off under the RVO structure than they would be under another viable structure, as follows:

1. In addition to the 2744 AB Transaction being superior to that originally supported by Management, the Receiver understands that ATB is supportive of the current transaction value.

2. The Receiver also understands from Mr. Boese that he has confirmed with the Alberta Chicken Producers Marketing Board that such a transaction will ensure a smooth transition with respect to chicken production.

(d) Does the consideration being paid for the debtor's business reflect the importance and value of the intangible assets being preserved under the RVO structure?

i. The Receiver understands that inherent in the value ascribed by the 2744 AB transaction is the ability to operate the chicken production without having to take the additional and costly regulatory steps to reinstate chicken production.

RECOMMENDATIONS

59. The Apex Receiver respectfully recommends that this Honourable Court approve:

(a) The activities of the Apex Receiver as currently before the Court; and

(b) The 2744 AB Transaction.

All of which is respectfully submitted this 15th day of September 2025.

BDO Canada Limited
In its capacity as Receiver of Apex Nutri-Solutions Inc.
and not in its personal or corporate capacity.

Per:

Kevin Meyler, CPA, CIRP, LIT
Senior Vice President