

COURT FILE NUMBER

2601-11638

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

AND IN THE MATTER OF A PLAN OR
ARRANGEMENT OF MLG GP LTD., 1094501
ALBERTA INC., 1705236 ALBERTA INC., 754439
ALBERTA INC., 604896 ALBERTA INC., 868195
ALBERTA INC., and 872845 ALBERTA INC.

APPLICANT

FIERA PRIVATE DEBT FUND VI LP, by the sole general
partner thereof, FIERA PRIVATE DEBT FUND GP INC.

RESPONDENTS

23612179 LIMITED PARTNERSHIP, MLG GP LTD.,
1094501 ALBERTA INC., 1705236 ALBERTA INC.,
754439 ALBERTA INC., 604896 ALBERTA INC., 868195
ALBERTA INC., and 872845 ALBERTA INC.

DOCUMENT

THIRD REPORT OF THE MONITOR

OCTOBER 15, 2026

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I. INTRODUCTION

1. On June 29, 2026 (the “**Initial Order Date**”), the Court of the King’s Bench of Alberta (the “**Court**”) issued an order (the “**Initial Order**”) granting MLG GP Ltd. (“**MLG GP**”), 1094501 Alberta Inc. (formerly, Active Warehousing Inc.), 1705236 Alberta Inc. (formerly, Hydrive Forklift & Equipment Inc.), 754439 Alberta Inc. (formerly, MTE Logistix Calgary Inc.), 604896 Alberta Inc. (formerly, MTE Logistix Edmonton Inc.), 868195 Alberta Inc. (formerly, MTE Logistix Management Inc.), and 872845 Alberta Inc. (formerly, Porter Warehousing & Distribution Inc.) (collectively, the “**Debtors**”) protection pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and appointed KPMG Inc. (“**KPMG**”) as the Monitor (in such capacity, “**Monitor**”). Among other things, the Initial Order granted:
 - (a) a stay of proceedings in respect of the Debtors until and including July 9, 2026;
 - (b) extended the benefit of the Stay of Proceedings and other aspects of the Initial Order to 23612179 Limited Partnership (formerly, MTE Logistix Limited Partnership) (“**MTE Logistix**” and together with the Debtors, the “**MTE Group**”);
 - (c) authorized Stephane Ethier, Corey Knipelberg or either of them (the “**Management Signatories**”) to stand as signatories on behalf of the Debtors;
 - (d) approved the terms of an interim financing facility (the “**Interim Financing Facility**”), with a maximum available principal amount of \$7.0 million, provided by Fiera Private Debt Fund VI LP (“**Fiera**” or in such capacity, the “**Interim Lender**”) to MTE Logistix in order to finance the Debtors’ working capital requirements and restructuring costs, pursuant to an Interim Financing facility term sheet dated June 29, 2026 entered into by the Management Signatories, on behalf of the Debtors (the “**Interim Financing Term Sheet**”);
 - (e) various charges in the CCAA proceedings, including the Administration Charge, Interim Lender’s Charge and D&O Charge against the property of the MTE Group, subject to certain carve outs set out in the Initial Order (the “**Charged Property**”).

2. At the comeback hearing held on July 7, 2026, the Court issued the Amended and Restated Initial Order (the “**ARIO**”) which, among other things:
 - (a) extended the stay of proceedings to and including July 30, 2026;
 - (b) increased the quantum of the D&O Charge to \$265,000; and
 - (c) approved a key employee retention plan for certain of the employees of MTE Logistix (the “**KERP**”) and granted a priority charge on the Charged Property for the benefit of the KERP beneficiaries to secure the payments thereunder subordinate to the other charges granted under the Initial Order (the “**KERP Charge**”).
3. On July 20, 2026, the Court issued an Order (the “**Approval and Vesting Order**”), among other things:
 - (a) approving the sale transaction contemplated under an asset purchase agreement dated July 13, 2026 (the “**APA**”) entered into between the MTE Group, as the vendors, and 2831608 Alberta Ltd., as purchaser (the “**Purchaser**”), an entity affiliated with the Interim Lender, the salient terms thereof, for the sale of the Purchased Assets (as defined in the APA) and the transactions contemplated thereunder (the “**Transaction**”), and authorizing and directing the MTE Group to execute such documents and take such additional steps as are necessary to complete the Transaction; and
 - (b) upon closing of the Transaction, vesting the Purchased Assets in the Purchaser, free and clear of all encumbrances.
4. Also on July 20, 2026, the Court issued an Order (the “**Ancillary Relief Order**”), among other things:
 - (a) approving the Prior Reports (as defined herein), and the activities and conduct of the Monitor described therein;
 - (b) approving an increase in the maximum amount available under the Interim Financing Facility from \$3.5 million to \$7.0 million;

- (c) approving an increase in the quantum of the Interim Lender's Charge from \$3.5 million to \$7.0 million, plus all interest, fees, expenses and other amounts accruing under the Interim Financing Term Sheet;
 - (d) extending the stay of proceedings to and including October 31, 2026 (the "**Stay Period**"); and
 - (e) sealing the confidential exhibits to the Affidavit of Mr. Stephane Ethier, former CEO of MTE Logistix, sworn July 15, 2026.
5. To date, KPMG, first in its capacity as proposed Monitor (the "**Proposed Monitor**"), and then in its capacity as Monitor, has previously provided this Court with three reports: (i) the pre-filing report of the Proposed Monitor dated June 26, 2026, (the "**Pre-Filing Report**"); (ii) the first report of the Monitor dated July 2, 2026 (the "**First Report**"); and (iii) the second report of the Monitor dated July 16, 2026 (the "**Second Report**" and together with Pre-Filing Report and the First Report, the "**Prior Reports**"). A copy of the Second Report is attached hereto (without appendices) as **Appendix "A"**.
6. Copies of materials and documents filed in connection with these CCAA proceedings are available on the Monitor's website at <https://kpmg.com/ca/mtelogistix> (the "**Case Website**"). In addition, KPMG has arranged for an email address mtelogistix@kpmg.ca through which creditors of the MTE Group or other interested parties can make inquiries related to the CCAA proceedings.

II. PURPOSE OF REPORT

7. The purpose of this third report (the "**Third Report**") is to provide the Court with information pertaining to:
- (a) an overview of the activities of the MTE Group and the Monitor since the date of the Second Report;
 - (b) the MTE Group's reported receipts and disbursements for the period from July 12, 2026 to October 10, 2026, including a comparison of reported to forecast results;

- (c) the MTE Group’s cash flow forecast (the “**Updated Cash Flow Forecast**”) for the period from October 11, 2026 to January 30, 2027 (the “**Forecast Period**”);
- (d) the Monitor’s recommendation that this Court grant an Order (the “**Stay Extension Order**”):
 - (i) authorizing and empowering the Monitor to exercise the Enhanced Powers (as defined herein) following delivery of the Monitor’s Certificate (as defined herein);
 - (ii) declaring that pursuant to subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1 (“**WEPPA**”), the Debtors meet the criteria prescribed by section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222 (“**WEPP Regulations**”);
 - (iii) approving the Third Report and the activities and conduct of the Monitor described therein;
 - (iv) extending the Stay Period to January 29, 2027; and
 - (v) such other relief as the Court deems as appropriate.

III. TERMS OF REFERENCE

- 8. In preparing this Third Report, KPMG has relied solely on information and documents provided to it by the MTE Group and Fiera, and their respective advisors, including unaudited, draft and/or internal financial information, financial projections prepared by the MTE Group, discussions with the Management Signatories, and the Affidavit of Mr. Corey Knipelberg, CFO of MTE Logistix, sworn October 13, 2026 (the “**October 13 Knipelberg Affidavit**”), filed by the Debtors as part of their materials in support of the proposed Stay Extension Order (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the Third Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or

completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards (“GAAS”) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

9. Capitalized terms used but not defined in the Third Report are defined in the Second Report or as defined in the October 13 Knipelberg Affidavit. This Third Report should be read in conjunction with the October 13 Knipelberg Affidavit, as certain information contained in the October 13 Knipelberg Affidavit has not been included herein in order to avoid unnecessary duplication.
10. Future orientated financial information contained in the Updated Cash Flow Forecast is based on the estimates and assumptions from the MTE Group regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Updated Cash Flow Forecast will be achieved.
11. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. ACTIVITIES OF THE MTE GROUP

12. Since the date of the Second Report, the MTE Group, with the assistance of the Monitor, has been managing its operations in the ordinary course and working to stabilize its business as a result of the CCAA proceedings.
13. The primary focus of the Management Signatories has been to manage communications with employees, customers and landlords that are critical to maintaining the ongoing operations of the MTE Group, facilitating the closing of the Transaction and fulfilling the MTE Group’s obligations under the Transition Services Agreement (as defined herein).
14. The Management Signatories, with the assistance of the Monitor, have performed the following activities to stabilize operations since the date of the Second Report:

- (a) communicating with, providing information to, and answering questions of, customers, creditors, employees, and other stakeholders regarding the CCAA proceedings;
- (b) managing key relationships with customers, landlords and suppliers, and operating the business in accordance with the terms of the ARIO;
- (c) issuing notices to disclaim pursuant to section 32(1) of the CCAA (each, a “**Disclaimer Notice**”) to certain customers, suppliers and landlords;
- (d) managing the MTE Group’s cash flows and making payments to suppliers in accordance with the ARIO and the Wind Down Budget (as defined herein);
- (e) closing the Transaction; and
- (f) fulfilling obligations under the Transition Services Agreement.

V. **ACTIVITIES OF THE MONITOR**

15. Since the date of the Second Report, the Monitor’s activities have included:

- (a) maintaining the Case Website where all Court documents and other material documents pertaining to the CCAA proceedings are available in electronic form;
- (b) implementing procedures for the monitoring of the cash flows of the MTE Group and to allow for payments in accordance with the terms of the ARIO and the Wind Down Budget (as defined below and as provided for under the Transition Services Agreement);
- (c) assisting the Management Signatories with their communications with stakeholders, including employees, customers, creditors and other key stakeholders;
- (d) working with the Purchaser and the MTE Group to close the Transaction;
- (e) assisting the MTE Group with respect to its obligations under the Transition Services Agreement;

- (f) engaging with the Monitor’s legal counsel, Gowling WLG (Canada) LLP (“**Gowling**”) regarding matters related to the CCAA proceedings;
- (g) assisting the Management Signatories with the preparation of the Updated Cash Flow Forecast;
- (h) reviewing and approving the Disclaimer Notices issued by the MTE Group;
- (i) reviewing and considering materials filed by the Debtors in connection with the application for the Stay Extension Order; and
- (j) preparing this Third Report.

Closing of the Transaction

- 16. The Transaction closed on September 18, 2026 (the “**Closing Date**”), at which time all of the Debtors’ right, title and interest in and to the assets necessary for the operation of the MTE Group’s business, other than certain excluded assets, were transferred to the Purchaser.
- 17. Also on September 18, 2026, the transition services agreement (the “**Transition Services Agreement**”) between the MTE Group and the Purchaser became effective, under which the MTE Group has been providing the Purchaser with certain services necessary to operate the business or to effect the Transaction including, among other things, obtaining consents for the assignment of any contracts or leases where such consent had not been obtained prior to the Closing, notifying customers of new banking information to ensure payments for services rendered are deposited to the Purchaser’s accounts, and completing disclaimers on certain agreements that the Purchaser did not wish to retain.
- 18. Prior to the Closing Date, the MTE Group, the Purchaser and the Monitor agreed upon a budget (the “**Wind Down Budget**”), providing for estimated costs of the (i) amounts unpaid under the Charges (as defined in the ARIO), (ii) fees and disbursements of the Administration Charge beneficiaries incurred post-closing and not funded by the Transition Services Agreement; and (iii) any other operational or post-filing liabilities incurred in the

ordinary course of the CCAA proceedings. In accordance with the Wind Down Budget, the Purchaser funded an amount of \$3.5 million (the “**Wind Down Advance**”).

19. In accordance with the Approval and Vesting Order, following the Closing Date, each of the Debtors filed articles of amendment (or similar documentation in the case of the limited partnership) and changed their legal and business names. Copies of the filed Certificates of Amendment evidencing the name changes for each of the Debtors are attached to the October 13 Knipelberg Affidavit as Exhibit “B”.

VI. REPORTED CASH RECEIPTS AND DISBURSEMENTS

20. The MTE Group’s consolidated cash flow projection for the period from July 12, 2026, to October 31, 2026, (the “**July 12 Cash Flow Forecast**”) was filed with the Court in support of the hearing for the Approval and Vesting Order.
21. The Management Signatories have continued to provide the Monitor with their cooperation and access to their books and records. The Monitor has implemented procedures for monitoring the MTE Group’s receipts and disbursements on a weekly basis. The Monitor has also worked with the Management Signatories to prepare forecast to actual variance analysis with respect to their weekly cash flow as compared to the July 12 Cash Flow Forecast.
22. A comparison of the MTE Group’s reported cash receipts and disbursements for the thirteen-week period ended October 10, 2026 (the “**Reporting Period**”), as compared to the July 12 Cash Flow Forecast is summarized below:

MTE Logistix Summary of Reported Receipts and Disbursements For the 13 week period ended October 10, 2026 in '000 CAD; unaudited			
	Actual	Forecast	Variance
Receipts			
Customer receipts	17,705	14,642	3,062
Sales tax refunds	-	87	(87)
Total receipts	17,705	14,729	2,976
Disbursements			
Rent	(6,437)	(5,527)	(911)
Payroll	(6,322)	(5,926)	(396)
Operating expenses	(3,217)	(4,328)	1,110
Capital expenditures	(527)	(798)	271
Sales tax payment	(159)	(141)	(18)
Interim financing interest & fees	(57)	(117)	60
Professional fees	(1,123)	(2,075)	952
KERP	-	(170)	170
Other	-	-	-
Transfer of receipts to NewCo	(1,812)	-	(1,812)
Total disbursements	(19,653)	(19,080)	(573)
Net cash flow	(1,949)	(4,351)	2,403
Opening cash	3,564	3,564	-
Net cash flow	(1,949)	(4,351)	2,403
Interim financing	(3,500)	3,500	(7,000)
Wind-down budget advance	3,500	-	3,500
Closing cash	1,615	2,713	(1,097)

23. As reflected in the summary table above, the MTE Group reported a net cash outflow of approximately \$1.9 million over the thirteen-week period ended October 10, 2026 and repayment of the Interim Financing Facility of \$3.5 million, which was funded by opening cash of \$3.6 million and the Wind Down Advance. As at October 10, 2026, the MTE Group reported a cash balance of approximately \$1.6 million, \$1.1 million lower than forecast.
24. The unfavourable ending cash variance of approximately \$1.1 million can be summarized as follows:
- (a) a favourable variance of \$3.0 million in customer receipts, primarily due to collections from various customers received by the MTE Group on behalf of the Purchaser; and
 - (b) a negative variance of \$0.6 million related to total disbursements primarily due to:

- (i) a negative variance of \$1.8 million resulting from a transfer to the Purchaser of receipts received on its behalf following the closing of the Transaction.
 - (ii) a negative variance in rent payments of \$0.9 million primarily attributable to rent paid during the Transition Services Agreement period for leases to be transferred to the Purchaser, as well as settlement payments related to two lease agreements that were not in the July 12 Cash Flow Forecast;
 - (iii) a negative variance in payroll of \$0.4 million, primarily attributable to payments made in respect of the KERP (recorded under payroll rather than the separate KERP line item) and vacation pay for transferred and terminated employees, partially offset by payroll savings resulting from employee terminations earlier in the Reporting Period;
 - (iv) a positive variance in the payment of operating expenses of \$1.1 million primarily attributable to lower-than-forecast operating expenses incurred and the MTE Group continuing to benefit from payment terms extended by certain vendors. The variance is expected to partially reverse during the Forecast Period; and
 - (v) a positive variance in professional fees of \$1.0 million, primarily attributable to lower-than-forecast fees incurred; and
- (c) an [net] unfavourable variance of \$3.5 million resulting from the repayment of the Interim Financing Facility and subsequent receipt from the Purchaser of the Wind Down Advance.

VII. UPDATED CASH FLOW FORECAST

25. The MTE Group, with the assistance of the Monitor, has prepared the Updated Cash Flow Forecast for the purpose of projecting the estimated liquidity needs of the MTE Group during the Forecast Period. The MTE Group's Updated Cash Flow Forecast is attached hereto as **Appendix "B"** and a summary thereof is set out in the table below:

MTE Logistix et al 16-Week Cash Flow Forecast In CAD (\$000's); unaudited	
Receipts	
Other Receipts	600
Total Receipts	600
Operating Disbursements	
Payroll	575
Operating Expenses	800
Professional Fees	315
Total Disbursements	1,690
Net Cash Flow	(1,090)
Opening Cash	1,615
Net Cash Flow	(1,090)
Repayment of Wind Down Advance	(525)
Closing Cash	0

26. The Updated Cash Flow Forecast has been prepared on a conservative basis using probable and hypothetical assumptions set out in the notes to the Updated Cash Flow Forecast. The Updated Cash Flow Forecast reflects the MTE Group's estimates of receipts and disbursements on a weekly basis over the Forecast Period.
27. The Monitor's review of the Updated Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to Information supplied to it by the MTE Group. Since the probable and hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Updated Cash Flow Forecast. The Monitor also reviewed the support provided by the MTE Group for the probable and hypothetical assumptions, and the preparation and presentation of the Updated Cash Flow Forecast.
28. The Updated Cash Flow Forecast includes payment of costs associated with the wind-down of the MTE Group's business, including payroll for remaining employees, professional fees and post-filing payments to vendors (the "**Remaining Wind Down Costs**"). The Remaining Wind Down Costs are expected to be funded through cash on hand and utilization of the LC Collateral Amount (as defined herein).

29. Forecast operating cash receipts over the Forecast Period total approximately \$0.6 million and relate solely to the collection of letter of credit collateral held by ATB Financial (“**LC Collateral Amount**”), which constitutes a purchased asset under the APA.
30. Pursuant to the Wind Down Budget, the Purchaser has funded Wind Down Advance, which is insufficient to cover the Remaining Wind-Down Costs based on the proposed extension to the Stay Period. Accordingly, the Purchaser has agreed that the MTE Group will retain and utilize the LC Collateral Amount to facilitate the wind-down of the MTE Group’s business. Any unused portion of the LC Collateral Amount at the end of the Forecast Period will be remitted to the Purchaser.
31. Forecast disbursements over the Forecast Period total approximately \$1.7 million and primarily consist of employee costs (\$0.6 million), operating costs (\$0.8 million), and professional fees (\$0.3 million).
32. The Updated Cash Flow Forecast projects the transfer of \$0.5 million to the Purchaser at the end of the Forecast Period.
33. The Monitor notes that the Updated Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

VIII. WAGE EARNER PROTECTION PROGRAM

34. Section 5(1) of the WEPPA provides that an individual is eligible to receive payment under that Act if, among other things, (i) the individual is owed eligible wages by a former employer; (ii) the former employer is subject to proceedings under the CCAA; and (iii) a court determines under subsection 5(5) that criteria prescribed by regulation are met.
35. Section 5(5) of the WEPPA provides that, on application by any person, a court under the CCAA may determine that a former employee meets criteria prescribed by regulation. Section 3.2 of the WEPP Regulations provides that “for purposes of subsection 5(5) of the WEPPA, a court may determine whether the former employer is the former employer of

all of whose employees in Canada have been terminated other than any retained to wind down its business operations”.

36. As noted in the October 13 Knipelberg Affidavit, the Monitor understands that the MTE Group has terminated over 95% of its employees. The majority of those former employees accepted employment with the Purchaser, however, 33 employees did not receive an offer of employment with the Purchaser. Of these individuals, 28 have been terminated by the Debtors, 5 remain employed primarily to carry out activities during the Transition Services Agreement period and to wind down the residual business operations of the MTE Group.
37. The Debtors’ application provides that they are seeking a declaration, pursuant to subsection 5(5) of the WEPPA and section 3.2 of the WEPP Regulations, that the MTE Group is a former employer that meets the criteria prescribed by the WEPP Regulations (the “**WEPP Declaration**”).
38. The Monitor understands that the proposed WEPP Declaration is intended to ensure that former employees of the Debtors who do not commence employment with the Purchaser are able to access benefits under the Wage Earner Protection Program at the earliest opportunity. While terminated employees will be paid all salary, wages and accrued vacation pay owing to them up to their respective termination dates, many terminated employees will be owed termination and/or severance pay, as applicable, that the MTE Group is unable to satisfy in the circumstances.
39. Based on the foregoing, the Monitor supports the granting of the WEPP Declaration. If the WEPP Declaration is granted, the Monitor intends to work with the Debtors to identify employees that may be eligible for payments under the Wage Earner Protection Program and to assist eligible individuals in making submissions to Service Canada at the appropriate time.

IX. ENHANCED POWERS OF THE MONITOR

40. Following the closing of the Transaction, pursuant to the Transition Services Agreement, the MTE Group has been providing certain services to the Purchaser in connection with

the Transaction. In addition, matters will remain in these CCAA proceedings relating to the wind-down of the business.

41. Due to the resignation of the directors of the MTE Group prior to the commencement of the CCAA proceedings, the Initial Order appointed the Management Signatories to stand as signatories on behalf of the Debtors. At this time, Corey Knipelberg remains the only Management Signatory for the Debtors.
42. Therefore, the Debtors are of the view that it is appropriate to expand the powers of the Monitor similar to that of a Management Signatory, in order to streamline and facilitate the completion of the Debtors' obligations under the Transition Services Agreement and the completion of the CCAA proceedings for each of the Debtors. The Monitor understands that these expanded powers will only be required and triggered if the sole Management Signatory resigns prior to the end of the CCAA Proceedings, and in such case would become effective upon the filing of a certificate with the Court (the **"Monitor's Enhanced Powers Certificate"**).
43. In this regard, in addition to the Monitor's powers and duties as set out in the ARIO, any other Order of the Court granted in these CCAA proceedings, the CCAA and applicable law, the Debtors are seeking to make available, if necessary, the following additional Monitor's powers (all such powers, collectively, the **"Enhanced Powers"**) to:
 - (a) oversee and have access to all elements of the management and operation of the Business;
 - (b) deal with all administrative matters, including to control the Debtors' bank accounts and administering WEPPA on behalf of the MTE Group;
 - (c) pay from the "Wind-Down Advance" (as defined in the APA, in the name of or on behalf of the Debtors or in its own name, as applicable, the amounts, fees, costs and expenses payable in respect of the "Wind-Down Budget" (as defined in the APA);
 - (d) cause the Debtors to exercise their rights and observe their obligations under the ARIO and all other Orders of the Court in the CCAA proceedings;

- (e) take steps to cause the MTE Group to disclaim any agreements to which the MTE Group is a party in accordance with the CCAA; and
 - (f) negotiate, execute, assign, issue and endorse documents of whatever nature in respect of any of the MTE Group's Property or Business, on behalf of the MTE Group, for any purpose.
44. In the absence of any directors, officers or employees of the Debtors, including the Management Signatories, the Monitor is of the view that the Enhanced Powers would allow the Monitor to efficiently administer the CCAA proceedings to their completion. As such, the Monitor is of the view that the granting of the Enhanced Powers, effective upon the filing of the Monitor's Certificate, included in the Stay Extension Order is reasonable and appropriate in the circumstances.

X. STAY EXTENSION

45. The current Stay Period expires on October 31, 2026. The MTE Group is seeking an extension of the Stay Period to January 29, 2027.
46. The Monitor supports the MTE Group's request for an extension of the Stay Period to January 29, 2027 for the following reasons:
- (a) the MTE Group is acting in good faith and with due diligence;
 - (b) the extension of the Stay Period will provide sufficient time for the MTE Group to fulfil the obligations under the Transition Services Agreement and complete the wind-down of their operations; and
 - (c) granting an extension of the Stay Period should not materially prejudice any creditor of the MTE Group as the Updated Cash Flow Forecast reflects that the MTE Group is projected to have sufficient funding to continue to operate in the normal course through the proposed stay extension period.

XI. CONCLUSIONS AND RECOMMENDATIONS

47. For the reasons set out in the Third Report, the Monitor is of the view that the relief requested by the MTE Group in the proposed Stay Extension Order is both appropriate and reasonable in the circumstances.
48. Based on the foregoing, the Monitor respectfully recommends that this Court approve the relief sought by the MTE Group in the within application.

All of which is respectfully submitted this 15th day of October 2026.

KPMG Inc.

In its capacity as Monitor of

**23612179 Limited Partnership, MLG GP Ltd., 1094501 Alberta Inc., 1705236 Alberta Inc.,
754439 Alberta Inc., 604896 Alberta Inc., 868195 Alberta Inc., and 872845 Alberta Inc.**

And not in its personal or corporate capacity

Per:



Pritesh Patel

CIRP, LIT

Senior Vice President

Appendix “A”

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COURT OF KING'S BENCH OF ALBERTA

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AND IN THE MATTER OF A PLAN OR ARRANGEMENT OF MLG GP LTD., ACTIVE WAREHOUSING INC., HYDRIVE FORKLIFT & EQUIPMENT INC., MTE LOGISTIX CALGARY INC., MTE LOGISTIX EDMONTON INC., MTE LOGISTIX MANAGEMENT INC., and PORTER WAREHOUSING & DISTRIBUTION INC.

APPLICANT

FIERA PRIVATE DEBT FUND VI LP, by the sole general partner thereof, FIERA PRIVATE DEBT FUND GP INC.

RESPONDENTS

MTE LOGISTIX LIMITED PARTNERSHIP, MLG GP LTD., ACTIVE WAREHOUSING INC., HYDRIVE FORKLIFT & EQUIPMENT INC., MTE LOGISTIX CALGARY INC., MTE LOGISTIX EDMONTON INC., MTE LOGISTIX MANAGEMENT INC., and PORTER WAREHOUSING & DISTRIBUTION INC.

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SECOND REPORT OF THE MONITOR

JULY 16, 2026

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APPENDICES

APPENDIX “A” – PRE-FILING REPORT DATED JUNE 26, 2026 (WITHOUT APPENDICES)

APPENDIX “B” – FIRST REPORT DATED JULY 2, 2026 (WITHOUT APPENDICES)

APPENDIX “C” – CASH FLOW FORECAST FROM JULY 12, 2026 TO OCTOBER 31, 2026

APPENDIX “D” – FINANCIAL STATEMENTS OF THE MTE GROUP FOR THE PERIODS ENDING MAY 31, 2026 AND DECEMBER 31, 2025

I. INTRODUCTION

1. On June 29, 2026 (the “**Initial Order Date**”), the Court of the King’s Bench of Alberta (the “**Court**”) issued an order (the “**Initial Order**”) granting MLG GP Ltd. (“**MLG GP**”), Active Warehousing Inc. (“**Active Warehousing**”), Hydrive Forklift & Equipment Inc. (“**Hydrive**”), MTE Logistix Calgary Inc. (“**MTE Calgary**”), MTE Logistix Edmonton Inc. (“**MTE Edmonton**”), MTE Logistix Management Inc. (“**MTE Management**”), and Porter Warehousing & Distribution Inc. (“**Porter Warehousing**”, together with MLG GP, Active Warehousing, Hydrive, MTE Calgary, MTE Edmonton, and MTE Management, the “**Debtors**”) protection pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and appointed KPMG Inc. (“**KPMG**”) as the Monitor (in such capacity, “**Monitor**”). Among other things, the Initial Order granted:
 - (a) a stay of proceedings in respect of the Debtors until and including July 9, 2026;
 - (b) extended the benefit of the Stay of Proceedings and other aspects of the Initial Order to MTE Logistix Limited Partnership (“**MTE Logistix**” and together with the Debtors, the “**MTE Group**”);
 - (c) authorized Stephane Ethier, Corey Knipelberg or either of them (the “**Management Signatories**”) to stand as signatories on behalf of the Debtors;
 - (d) approved the terms of an interim financing facility (the “**Interim Financing Facility**”), with a maximum available principal amount of \$7.0 million, provided by Fiera Private Debt Fund VI LP (“**Fiera**” or in such capacity, the “**Interim Lender**”) to MTE Logistix in order to finance the Debtors’ working capital requirements and restructuring costs, pursuant to an Interim Financing facility term sheet dated June 29, 2026 entered into by the Management Signatories, on behalf of the Debtors (the “**Interim Financing Term Sheet**”);
 - (e) various charges in the CCAA proceedings, including the Administration Charge, Interim Lender’s Charge and D&O Charge against the property of the MTE Group, subject to certain carve outs set out in the Initial Order (the “**Charged Property**”).

2. At the comeback hearing held on July 7, 2026, the Court issued the Amended and Restated Initial Order (the “**ARIO**”) which, among other things:
 - (a) extended the stay of proceedings to and including July 30, 2026 (the “**Stay Period**”);
 - (b) increased the quantum of the D&O Charge to \$265,000; and
 - (c) approved a key employee retention plan for certain of the employees of MTE Logistix (the “**KERP**”) and granted a priority charge on the Charged Property for the benefit of the KERP beneficiaries to secure the payments thereunder subordinate to the other charges granted under the Initial Order (the “**KERP Charge**”).
3. To date, KPMG, first in its capacity as proposed Monitor (the “**Proposed Monitor**”), and then in its capacity as Monitor, has previously provided this Court with two reports: (i) the pre-filing report of the Proposed Monitor dated June 26, 2026, (the “**Pre-Filing Report**”); and (ii) the first report of the Monitor dated July 2, 2026 (the “**First Report**” and together with Pre-Filing Report, the “**Prior Reports**”). Copies of the Pre-Filing Report and the First Report are attached hereto (without appendices) as **Appendices “A”** and “**B**”, respectively.
4. Copies of materials and documents filed in connection with these CCAA proceedings are available on the Monitor’s website at <https://kpmg.com/ca/mtelogistix> (the “**Case Website**”). In addition, KPMG has arranged for an email address mtelogistix@kpmg.ca through which creditors of the MTE Group or other interested parties can make inquiries related to the CCAA proceedings.

II. PURPOSE OF REPORT

5. The purpose of this second report (the “**Second Report**”) is to provide the Court with information pertaining to:
 - (a) an overview of the activities of the MTE Group and the Monitor since the granting of the ARIO;
 - (b) the MTE Group’s reported receipts and disbursements for the period from June 28, 2026 to July 11, 2026, including a comparison of reported to forecast results;

- (c) the MTE Group’s cash flow forecast (the “**Updated Cash Flow Forecast**”) for the period from July 12, 2026 to October 31, 2026 (the “**Forecast Period**”);
- (d) the sale transaction contemplated under asset purchase agreement dated July 13, 2026 (the “**APA**”) entered into between the MTE Group, as the vendors, and 2831608 Alberta Ltd., an entity affiliated with the Lender (the “**Purchaser**”), as purchaser, the salient terms thereof, for the sale of the Purchased Assets (as defined in the APA) and the transactions contemplated thereunder (the “**Transaction**”);
- (e) the Monitor’s recommendation that this Court:
 - (i) grant an order (the “**Approval and Vesting Order**”), among other things:
 - I. approving the APA and the Transaction, and authorizing and directing the MTE Group to execute such documents and take such additional steps as are necessary to complete the Transaction; and
 - II. upon closing of the Transaction, vesting the Purchased Assets in the Purchaser, free and clear of all encumbrances; and
 - (ii) make an order (the “**Ancillary Relief Order**”), among other things:
 - I. approving the Pre-Filing Report, the First Report, the Second Report, and the activities and conduct of the Monitor described therein;
 - II. approving an increase in the maximum amount available under the Interim Financing Facility from \$3.5 million to \$7.0 million;
 - III. approving an increase in the quantum of the Interim Lender’s Charge from \$3.5 million to \$7.0 million, plus all interest, fees, expenses and other amounts accruing under the Interim Financing Term Sheet;
 - IV. extending the Stay Period to October 31, 2026; and
 - V. sealing the confidential exhibits to the July 15 Ethier Affidavit (as defined herein).

III. TERMS OF REFERENCE

6. In preparing this Second Report, KPMG has relied solely on information and documents provided to it by the MTE Group and Fiera, and their respective advisors, including unaudited, draft and/or internal financial information, financial projections prepared by the MTE Group, discussions with the Management Signatories, and the July 15 Ethier Affidavit (as defined herein) (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the Second Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
7. Capitalized terms used but not defined in the Second Report are defined in the Prior Reports or as defined in the Affidavit of Mr. Stephane Ethier, CEO of MTE Logistix, sworn July 15, 2026 (the “**July 15 Ethier Affidavit**”), filed by the Debtors as part of their materials in support of the proposed Approval and Vesting Order and the Ancillary Relief Order. This Second Report should be read in conjunction with the July 15 Ethier Affidavit, as certain information contained in the July 15 Ethier Affidavit has not been included herein in order to avoid unnecessary duplication.
8. Future orientated financial information contained in the Updated Cash Flow Forecast is based on the estimates and assumptions from the MTE Group regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Updated Cash Flow Forecast will be achieved.
9. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. ACTIVITIES OF THE MTE GROUP

10. Since the date of the ARIO, the MTE Group, with the assistance of the Monitor, has been managing its operations in the ordinary course and working to stabilize its business as a result of the CCAA proceedings.
11. The primary focus of the Management Signatories has been to manage communications with employees, customers and landlords that are critical to maintaining the ongoing operations of the MTE Group, as well as negotiating and working to finalize the terms of the APA with the Purchaser. The Management Signatories are also currently focussed on managing and preserving relationships with key customers and addressing operational issues arising in connection with the announcement of the commencement of the CCAA proceedings.
12. The Management Signatories, with the assistance of the Monitor, have performed the following activities to stabilize operations since the date of the ARIO:
 - (a) communicating with, providing information to, and answering questions of, customers, creditors, employees, and other stakeholders regarding the CCAA proceedings;
 - (b) managing key relationships with customers, landlords and suppliers, and operating the business in accordance with the terms of the ARIO;
 - (c) arranging to provide cash collateral to ATB Financial (“**ATB**”) for the outstanding amounts under LC Facility and small use of the Credit Card Facility during the CCAA proceedings;
 - (d) issuing a notice to disclaim pursuant to section 32(1) of the CCAA (each, a “**Disclaimer Notice**”) to three customers to whom MTE Logistix has provided warehousing, storage and logistics services at the East Lake Premises;
 - (e) issuing Disclaimer Notices to the landlords for the premises located at 18103 111 Ave NW and 14210-30 157 Avenue NW in Edmonton, Alberta;

- (f) managing MTE Group's cash flows and making payments to suppliers in accordance with the ARIO; and
- (g) negotiating the terms of the APA with the Lender.

V. ACTIVITIES OF THE MONITOR

13. Since the date of the ARIO, the Monitor's activities have included:

- (a) maintaining the Case Website where all Court documents and other material documents pertaining to the CCAA proceedings are available in electronic form;
- (b) implementing procedures for the monitoring of the cash flows of the MTE Group and to allow for payments in accordance with the terms of the ARIO;
- (c) assisting the Management Signatories with their communications with stakeholders, including employees, customers, creditors and other key stakeholders;
- (d) commencing development of the terms of a previously contemplated sales and investor solicitation process (the "**SISP**"), in consultation with Fiera and the Management Signatories, and preparing solicitation and other related materials in connection therewith;
- (e) working with Fiera and the MTE Group to finalize the APA;
- (f) reviewing the comparable public company trading multiples and comparable private company transaction multiples in connection with its review of the Transaction;
- (g) engaging with the Monitor's legal counsel, Gowling WLG (Canada) LLP ("**Gowling**") regarding matters related to the CCAA proceedings, including a review of Fiera's pre-filing security, as discussed in greater detail below;
- (h) assisting the Management Signatories with the preparation of the Updated Cash Flow Forecast;
- (i) reviewing and approving the Disclaimer Notices issued by the MTE Group;

- (j) reviewing and considering materials filed by the Debtors in connection with the application for the Approval and Vesting Order and the Ancillary Relief Order; and
- (k) preparing this Second Report.

Eastlake Lease

- 14. As noted above, the MTE Group issued a Disclaimer Notice in respect of the Eastlake Lease on June 29, 2026. The Monitor understands this and other leases were disclaimed by the MTE Group in order to reduce ongoing cash requirements during the CCAA proceedings. In particular, the Eastlake Lease was determined by the MTE Group to be uneconomical as per the affidavit of Mr. Ethier sworn on July 2, 2026 as the space was under-utilized and the rent and other operating costs materially exceeded the revenues earned from customers serviced from the premises by approximately \$400,000 per month. The Monitor reviewed and approved the Disclaimer Notice prior to its issuance to the landlord for the Eastlake Lease.
- 15. The Monitor further understands based on discussions with the Purchaser and its counsel that the Eastlake Lease, along with the other disclaimed contracts, would have been Excluded Assets (as defined in the APA) had they not been disclaimed by the MTE Group.

Security Review

- 16. As noted in the First Report, the Monitor instructed Gowling to conduct a review of the security granted by the MTE Group to Fiera pursuant to a general security agreement (the “GSA”) governed by the laws of the Province of Alberta. Gowling has provided the Monitor with a written opinion that, subject to the typical assumptions and qualifications for opinions of this nature, such security interest constitutes a valid and enforceable security interest, and that applicable registrations have been made in the Alberta and British Columbia Personal Property Registries (“PPR”) to perfect such security interests created by the GSA (the “**Security Review Opinion**”).
- 17. The Security Review Opinion further provides that Fiera has first priority security over all assets, undertaking and property of the MTE Group, subject to (i) a priority agreement

between Fiera and ATB, in which ATB has priority over certain collateral of the MTE Group and (ii) potential purchase money security interests (“**PMSI**”) in equipment registered by third party equipment lessors in the Alberta and British Columbia PPRs.

18. The Monitor understands from speaking to the MTE Group that ATB is owed no funds from the MTE Group. The Monitor also understands from Fiera that the Purchaser currently intends to assume all of the remaining equipment leases of the PMSI holders as part of the APA.
19. The Monitor will make a copy of the Security Review Opinion available to any party with an interest in it, subject to receiving a signed confirmation of non-reliance by the recipient party, and will make available a copy of the Security Review Opinion to the Court upon request.

VI. REPORTED CASH RECEIPTS AND DISBURSEMENTS

20. The MTE Group’s consolidated cash flow projection for the period from June 28, 2026, to September 26, 2026, (the “**June 28 Cash Flow Forecast**”) was filed with the Court in support of the hearing for the ARIO.
21. The Management Signatories have continued to provide the Monitor with their cooperation and access to their books and records. The Monitor has implemented procedures for monitoring the MTE Group’s receipts and disbursements on a weekly basis. The Monitor has also worked with the Management Signatories to prepare forecast to actual variance analysis with respect to their weekly cash flow as compared to the June 28 Cash Flow Forecast.
22. A comparison of MTE Group’s reported cash receipts and disbursements for the two-week period ended July 11, 2026, as compared to the June 28 Cash Flow Forecast is summarized below:

MTE Logistix Summary of Reported Receipts and Disbursements For the 2 week period from June 28, 2026 to July 11, 2026 In '000 CAD; unaudited			
	Actual	Forecast	Variance
<u>Receipts</u>			
Customer receipts	3,341	2,163	1,178
Sales tax refunds	-	22	(22)
Total receipts	3,341	2,184	1,157
<u>Disbursements</u>			
Rent	(2,630)	(3,166)	536
Payroll	(1,030)	(977)	(53)
Operating expenses	(94)	(776)	682
Capital expenditures	-	-	-
Sales tax payment	(128)	(140)	12
Interim financing interest & fees	(115)	(105)	(10)
Professional fees	-	-	-
Other	(598)	(630)	32
Total disbursements	(4,595)	(5,794)	1,198
Net cash flow	(1,254)	(3,609)	2,355
Opening cash	1,318	900	418
Net cash flow	(1,254)	(3,609)	2,355
Interim financing	3,500	3,500	-
Closing cash	3,564	791	2,773

23. As reflected in the summary table above, the MTE Group reported a net cash outflow of approximately \$1.3 million over the two-week period ended July 11, 2026, which was funded by opening cash of \$1.3 million and a \$3.5 million initial advance under the Interim Financing Facility. As at July 11, 2026, the MTE Group reported a cash balance of approximately \$3.6 million, \$2.8 million higher than forecast.
24. The favourable ending cash variance of approximately \$2.8 million can be summarized as follows:
- (a) a favourable variance in opening cash of \$0.4 million. The Monitor understands this variance was primarily due to timing of cash receipts from accounts receivable collections, certain of which were received earlier than anticipated;
 - (b) a favourable variance of \$1.2 million in customer receipts, primarily due to earlier than forecast collections from various customers; and
 - (c) a positive variance of \$1.2 million related to total disbursements primarily due to:

- (i) a positive variance in rent payments of \$0.5 million attributable to a delay in payment under the Eastlake Lease (as defined in the Pre-Filing Report), which lease was disclaimed pursuant to a Disclaimer Notice issued by the MTE Group on June 29, 2026; and
- (ii) a positive variance in the payment of operating expenses (\$0.7 million). The June 28 Cash Flow Forecast assumed cash on delivery payment terms; however, the MTE Group has continued to receive payment terms from certain vendors. The variance is anticipated to largely reverse during the Forecast Period.

VII. UPDATED CASH FLOW FORECAST

- 25. The MTE Group, with the assistance of the Monitor, has prepared the Updated Cash Flow Forecast for the purpose of projecting the estimated liquidity needs of the MTE Group during the Forecast Period. A copy of the Updated Cash Flow Forecast, accompanying notes and a report containing prescribed representations regarding the preparation of the Updated Cash Flow Forecast are attached hereto as **Appendix “C”**.
- 26. The Updated Cash Flow Forecast has been prepared on a conservative basis using probable and hypothetical assumptions set out in the notes to the Updated Cash Flow Forecast. The Updated Cash Flow Forecast reflects the MTE Group’s estimates of receipts and disbursements on a weekly basis over the Forecast Period.
- 27. The Updated Cash Flow Forecast assumes that the Transaction will close by the Outside Date (as defined herein) of October 1, 2026 and the Transition Services Agreement (as defined herein) is effective starting October 1, 2026. From this date forward, all customer receipts and the majority of operating disbursements, save and except for non-unionized payroll, professional fees and certain other operating expenses (the **"Remaining Costs"**), will become Purchased Assets under the APA, if approved, and therefore are excluded from the Updated Cash Flow Forecast. The Remaining Costs are assumed to be funded from either cash on hand or additional amounts from the Lender pursuant to a Wind-Down Budget (as defined herein) to be agreed upon by the Monitor, the Debtors and the Lender.

28. The Monitor's review of the Updated Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to Information supplied to it by the MTE Group. Since the probable and hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Updated Cash Flow Forecast. The Monitor also reviewed the support provided by the MTE Group for the probable and hypothetical assumptions, and the preparation and presentation of the Updated Cash Flow Forecast.
29. Forecast operating cash receipts over the Forecast Period total approximately \$14.7 million, primarily related to the collection of monthly payments from the customers of the MTE Group.
30. Forecast operating disbursements over the Forecast Period total approximately \$20.3 million and primarily consist of rent and facility costs (\$5.5 million), employee costs (\$6.7 million), operating costs (\$4.5 million), capital expenditures and sales tax (\$1.1 million), professional fees (\$2.3 million), Interim Financing Facility interest and related fees (\$0.1 million) and KERP (\$0.2 million).
31. As at July 11, 2026, the MTE Group had a cash balance of approximately \$3.6 million and had drawn \$3.5 million on the Interim Financing Facility (excluding accrued interest, fees and expenses). The MTE Group is projected to incur a net cash outflow of approximately \$5.6 million over the Forecast Period, and as a result lack sufficient liquidity to maintain operations.
32. Accordingly, the Updated Cash Flow Forecast projects the use of cash on hand as of the beginning of the Forecast Period and proposed subsequent advances under the Interim Financing Facility in the amount of \$3.5 million over the Forecast Period.
33. The Monitor notes that the Updated Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

VIII. THE TRANSACTION

Background

34. As discussed in the Prior Reports, the Debtors initially intended to bring an application to be heard on July 20, 2026 seeking Court approval of a SISP for the sale of the business, assets and/or shares of the Debtors in which the Lender would submit a credit bid to serve as the “stalking horse bid”. As noted in the July 15 Ethier Affidavit, Fiera, the Debtors and their respective counsel, in consultation with the Monitor, had been in negotiations for a credit bid to serve a stalking horse in such as SISP.
35. Since that time, the Monitor understands that certain significant customers of the MTE Group have raised serious concerns regarding their willingness to continue doing business with the MTE Group absent an expedient solution to the MTE Group’s insolvency proceedings.
36. In particular, the Monitor understands that:
 - (a) the MTE Group was awarded three new customer contracts that were not fully executed prior to the Initial Order Date. These contracts are expected to generate approximately \$7.8 million in aggregate annual revenue, including approximately \$5.0 million from one contract with respect to which Fiera worked with the MTE Group to include approximately \$550,000 in the interim financing budget to fund the infrastructure required by the customer. The Monitor understands that these customers have expressed concerns with respect to the services that can be provided by the MTE Group in light of the CCAA proceedings and one customer has verbally agreed to a month-to-month arrangement which could be terminated at any time;
 - (b) approximately \$1.3 million of additional annual revenues are expected from two new customer contracts which were executed prior to the Initial Order Date. The Monitor understands that these contracts are under review by the customers as a result of the CCAA filing and are at risk of termination;

- (c) two customer contracts worth \$1.5 million of annual revenues expired on June 30, 2026 and have not yet been renewed. Another contract worth \$0.8 million is set to expire in August 2026. The Monitor understands that renewal of these contracts remains uncertain, as these customers have expressed concerns regarding the uncertainty arising from these CCAA proceedings; and
 - (d) a significant number of customer contracts, representing approximately \$25 million of the MTE Group's annual revenue, give customers the ability to terminate their contracts on 30 days' notice.
37. The confidential exhibits to the July 15 Ethier Affidavit contain a list of the MTE Group's current and prospective customers and financial information relating to the contracts which are currently being negotiated. The MTE Group is seeking a sealing order in respect of those confidential exhibits pursuant to the Restricted Court Access Order, as they contain commercially sensitive information of its customers relating to pricing and other contract terms. If disclosed, this information could adversely impact the MTE Group's restructuring efforts and any future negotiations and relationships with its customers. Accordingly, the Monitor supports the sealing of the confidential exhibits to the July 15 Ethier Affidavit.
38. Further, the Monitor understands from speaking with the Management Signatories that any prolonged uncertainty related to an extended sale process may increase execution risk in respect of employee matters. Notwithstanding the KERP and ongoing communication efforts, the Management Signatories have advised the Monitor that a sale process could increase the risk of employee attrition across both senior leadership and frontline roles.
39. In light of concerns that the value of the MTE Group's business may deteriorate during the time required to complete the proposed SISF, jeopardizing the ability to complete any transaction, the Lender and the MTE Group have pivoted from a SISF with a stalking horse bid to an immediate sale transaction.
40. Accordingly, on July 14, 2026, the MTE Group entered into the APA.

Material Terms of the APA

41. The material terms of the APA¹, a copy of which is attached as Exhibit “A” to the July 15 Ethier Affidavit, are as follows:

- (a) Purchaser: 2831608 Alberta Ltd., a corporation incorporated under the laws of the Province of Alberta and a nominee of Fiera;
- (b) Purchase Price: the total purchase price is estimated to be in the range of approximately \$49.8 million and \$53.3 million² (the “**Purchase Price**”), which is to be paid through a release of outstanding obligations payable by the MTE Group to Fiera and consists of the sum of: (i) approximately \$46.3 million, being the principal amount owing under the Fiera Loan Agreement (as defined in the Pre-Filing Report), plus all interest, fees and amounts owing thereunder, and (ii) the principal amount owing under the Interim Financing Facility, plus all interest, fees, and amounts owing thereunder (collectively, the “**Closing Debt**”), as of Closing Time. As noted above, \$3.5 million has been advanced to MTE Logistix under the Interim Financing Facility to date;
- (c) Payment of Purchase Price: immediately prior to Closing, the Lender will assign to the Purchaser the full right to receive payment of the Closing Debt. In consideration of the assignment, the Purchaser will issue to the Lender a senior secured note in the amount of \$18.0 million (the “**Purchaser Note**”) and the common shares in the capital of the Purchaser for an aggregate price equal to the difference between the Closing Debt and the Purchaser Note amount. At Closing, the Purchase Price will be paid and satisfied through a credit bid by the Purchaser, following which the obligations of the MTE Group in respect of the Closing Debt will be deemed fully

¹ Terms used but not otherwise defined in this section have the meaning ascribed to them in the APA. The following summary of the APA is provided for illustrative purposes and convenience only – parties should review the APA attached to the July 15 Ethier Affidavit.

² The exact Purchase Price in the APA is not capable of being determined at this time as, among other things, the amounts that will ultimately be drawn under the Interim Financing Facility by the time that the transaction closes are unknown. As such, the Purchase Price is shown as a range based on, among other things, the Updated Cash Flow Forecast, amounts currently drawn under the Interim Financing Facility and the maximum limit thereunder. The actual Purchase Price on closing may be different from the estimated amounts included herein for illustrative purposes.

repaid, discharged and released as between the Lender and the Purchaser, on the one hand, and the MTE Group, on the other hand.

- (d) Purchased Assets: comprised of but not limited to (collectively, the “**Purchased Assets**”):
- (i) the Acquired Contracts and the Acquired Leases;
 - (ii) the leasehold interests of the MTE Group in and to the property that is subject to the Acquired Leases, together with the MTE Group’s interest in all easements, rights-of-way and other rights and benefits related to such leasehold interests and all fixtures and leasehold improvements located on such property;
 - (iii) the Books and Records, the Intellectual Property, the Information Technology, the Inventories, the Personal Property, the Required Permits to the extent assignable, all prepaid expenses and deposits relating to the Business, and the Receivables;
 - (iv) debts and other amounts owing to the MTE Group by related parties;
 - (v) any claims, choses in action or rights to pursue claims against related parties on behalf of the MTE Group; and
 - (vi) any tax rebates or refunds due to the MTE Group;
- (e) Acquired Contracts: all contracts, agreements, and arrangements of the MTE Group, including as listed in Schedule 1.1(a) of the APA, except for Excluded Contracts, which are specially scheduled in Schedule 1.1(ff). The Purchaser, with the assistance of the Monitor and the cooperation of the MTE Group, will request any consents necessary to permit the assignment of the Acquired Contracts, and if such consents are not obtained, the parties shall seek an assignment order of the contracts prior to the closing of the Transaction;

- (f) Acquired Leases: all leases of the Business, including leases listed in Schedule 1.1(b) of the APA, except for Excluded Leases. The Purchaser, with the assistance of the Monitor and cooperation of the MTE Group, will request any consents necessary to permit the assignment of the Acquired Leases;
- (g) Consents: Subject to the granting of the Approval and Vesting Order, the MTE Group and the Purchaser shall request and obtain, prior to Closing, any consents necessary to permit the assignment to the Purchaser of the Required Permits, Acquired Contracts and Acquired Leases. The Purchaser will be responsible for Cure Costs, if any, in respect of any Acquired Contract or Acquired Lease. In any cases where an Assignment Order is required for any Acquired Leases or Acquired Contracts, the Purchaser will notify the MTE Group and the Monitor as soon as reasonably practicable, and the MTE Group will file an application (at the Purchaser's expense) to seek an assignment order from the Court assigning over the Acquired Leases and Acquired Contracts. If either consent or an assignment order cannot be obtained for the specific Acquired Lease or Acquired Contract, the Purchaser may remove those items as purchased assets from the APA and they shall become Excluded Assets;
- (h) Assumed Liabilities: comprised of:
 - (i) obligations under the Acquired Contracts and Acquired Leases, and cure costs relating to same;
 - (ii) the Customer Deposits; and
 - (iii) obligations with respect to the Transferred Employees arising from and after the Closing Time;
- (i) Transferred Employees: employees of the MTE Group, including Unionized Employees and Non-Unionized Employees, who have accepted an offer of employment from the Purchaser. With respect to the Unionized Employees, following Closing, the Purchaser will be bound by the Collective Agreements as a successor employer and shall recognize the General Teamsters, Local Union No. 362

as the exclusive bargaining agent of the Unionized Employees. With respect to the Non-Unionized Employees, no later than five (5) Business Days prior to the Closing Date, the Purchaser will provide a list of Non-Unionized Employees it wishes to offer employment to on terms substantially similar to and no less favourable than their existing employment terms with the MTE Group. The Purchaser is not required to make offers to Non-Unionized Employees prior to Closing and may defer such employment decisions to the term of the Transition Services Agreement (as defined herein).

- (j) Excluded Assets: Purchased Assets will not include any of the following assets of the MTE Group:
 - (i) insurance recoveries in respect only of any claims with respect to Excluded Assets;
 - (ii) Excluded Contracts and Excluded Leases as listed in Schedule 1.1(ii) of the APA;
 - (iii) bank accounts, cash and cash equivalents held by the MTE Group; and
 - (iv) any other assets that the Purchaser elects to exclude in writing prior to Closing, in accordance with the terms of the APA.
- (k) Excluded Liabilities: the Purchaser will not assume any of the following:
 - (i) liabilities relating to employees that are not Transferred Employees;
 - (ii) liabilities relating to Transferred Employees that arose prior to Closing Time; and
 - (iii) liabilities relating to taxes owed or owing, and audits or reassessments with respect to taxes arising prior to Closing Time;
- (l) Wind-Down Budget: at least five (5) business days prior to Closing, the Purchaser, the MTE Group and the Monitor shall have agreed on a budget (the “**Wind-Down**

Budget”) providing for estimated costs of the (i) amounts unpaid under the Charges (as defined in the ARIO), (ii) fees and disbursements of the Administration Charge beneficiaries incurred post-closing and not funded by the Transition Services Agreement; and (iii) any other operational or post-filing liabilities incurred in the ordinary course of the CCAA proceedings. If the cash on hand on Closing is not sufficient to fund the Wind-Down Budget, the Purchaser will fund, on or before Closing, an amount equal to 110% of the Wind-Down Budget deficiency, to be held by the Monitor in trust and to be used in accordance with the Wind-Down Budget.

- (m) Key Conditions of Closing: Sections 5.1 and 5.3 of the APA include various conditions to Closing, including but not limited to:
 - (i) the Approval and Vesting Order shall have been obtained; and
 - (ii) all the Required Permits and the Required Consents, including the Required Landlord Consents, with respect to the Acquired Contracts and Acquired Leases, shall have been obtained;
- (n) Monitor’s Certificate: the Approval and Vesting Order will be effective upon the filing of the Monitor’s Certificate with Court certifying that the Monitor has received written confirmation from the MTE Group and the Purchaser that all conditions to Closing have been satisfied or waived and the transactions contemplated by the APA have been completed;
- (o) Transition Services Agreement: the MTE Group and the Purchaser will enter into a transition services agreement (the “**Transition Services Agreement**”) under which the MTE Group will provide the Purchaser with certain services necessary to operate the business from the Closing Date or to effect the Transaction, including, among other things, the transition of Purchased Assets, continued operational and administrative support, obtaining outstanding consents and permits, and the management and transfer of employees. Further details on the Transition Services Agreement are provided below;

- (p) Closing Date: September 1, 2026, or such other date as may be agreed between the Parties in writing, with consent of the Monitor;
- (q) Outside Date: October 1, 2026, or such other date as the parties may agree to in writing; and
- (r) Termination: the APA may be terminated by mutual written agreement of the MTE Group and the Purchaser (with consent of the Monitor), if Closing has not occurred by the Outside Date or if any conditions of Closing, pursuant to sections 5.1 and 5.3 of the APA are not satisfied by the MTE Group and/or the Purchaser.

Transition Services Agreement

42. The material terms of the Transition Services Agreement, a copy of which is included in Schedule 9.2 of the APA, are as follows:

- (a) Transition Services: the MTE Group will provide Transition Services to the Purchaser in accordance with Schedule 1.1(ddd) of the Transition Services Agreement, which may be amended by the Purchaser from time to time;
- (b) Term: the Transition Services Agreement will have a term of six months commencing on its execution date (the “**TSA Effective Date**”). The Purchaser will have the right to extend the Term two (2) times, each for an additional 30-day period;
- (c) Services of Transition Employees: the MTE Group will continue to employ a certain number of warehouse, logistics, administrative and managerial employees (the “**Transition Employees**”) required to provide the Transition Services. The Transition Employees will remain employees of the MTE Group, unless the Purchaser elects, in its sole discretion, to offer employment to one or more such employees; and
- (d) Purchaser’s Funding Obligations: the Purchaser will fund costs and expenses associated with providing the Transition Services on a cost-recovery basis in accordance with rolling weekly budgets prepared or updated by the MTE Group, in

consultation with the Monitor, and subject to approval by the Purchaser. An Initial Budget must be prepared by the MTE Group and be provided to the Purchaser for approval not less than ten (10) days prior to the TSA Effective Date.

43. The proposed Approval and Vesting Order contemplates approval of, among other things, the APA which includes the Transition Services Agreement as a schedule.

Monitor's Observations

44. The MTE Group seeks approval of the Transaction which, as described above, would provide for, among other things:
- (a) the sale of substantially all of the assets of the MTE Group to the Purchaser, allowing the business of the MTE Group to continue as a going concern;
 - (b) continued employment opportunities for a majority of the employees of MTE Logistix;
 - (c) the assumption by the Purchaser of the MTE Group's ordinary course liabilities to vendors, suppliers, lessors and customers related to the Acquired Contracts and Acquired Leases, including payment of cure costs, if any; and
 - (d) a discharge and release by the Lender of all of the secured indebtedness owing by the MTE Group under the Fiera Loan Agreement and the Interim Financing Facility for:
 - (i) 100% of the common shares of the Purchaser; and (ii) a new \$18 million senior secured note issued by the Purchaser to the Lender.
45. The Monitor notes it has not obtained a valuation by a Chartered Business Valuator, nor does this Second Report purport to be a valuation of the business of the MTE Group. However, for illustrative purposes, the Monitor has undertaken a review of the following matters in considering the commercial appropriateness of the relief sought by the MTE Group:

- (a) the quantum of secured indebtedness owed to the Lender and the historical operating results of the MTE Group in order to determine an implied EBITDA multiple for the Transaction;
- (b) comparable public company trading multiples;
- (c) comparable private company transaction multiples; and
- (d) potential alternatives to proceeding with the Transaction.

Implied Transaction Multiple

- 46. EV/EBITDA is a ratio that compares a company's enterprise value ("**EV**") to its earnings before interest, taxes, depreciation and amortization ("**EBITDA**"). The EV/EBITDA ratio is commonly used as a valuation metric to compare the relative value of different businesses.
- 47. As set out above, the Purchase Price is made up of the Credit Bid Consideration, being (a) \$46.3 million of pre-filing secured debt under the Fiera Loan Agreement, and (b) all amounts advanced under the Interim Financing Facility (which could be as much as \$7.0 million, depending on the MTE Group's liquidity needs between the date of the Second Report and Closing). For purposes of this analysis, the Monitor has assumed the Credit Bid Consideration to be \$49.8 million, being the lower end of the potential range for Closing Debt, as the enterprise value.
- 48. MTE Logistix's fiscal year-end is December 31. Included below is a summary of the Debtors' consolidated income statement for the trailing twelve-month ("**TTM**") periods ended May 31, 2026, and December 31, 2025, respectively:

MTE Logistix Summary Income Statement in CAD '000s		
For the 12 month period ended	5/31/2026	12/31/2025
Total Revenue	72,189	77,327
Expenses		
Operating	63,793	69,443
General & administrative	8,072	3,333
Depreciation and amortization	3,223	3,883
Interest	4,472	4,697
Other	114	122
Total expenses	79,674	81,479
Net income (loss)	(7,485)	(4,151)
EBITDA	210	4,429

49. For each of the twelve-month periods ended May 31, 2026 and December 31, 2025, MTE Logistix generated annualized EBITDA of approximately \$0.2 million and \$4.4 million, respectively. A copy of MTE Logistix's financial statements for the aforementioned periods are attached hereto as **Appendix "D"**.
50. Based on an estimated Purchase Price of approximately \$50 million, the Monitor has calculated the implied EV/EBITDA multiple for the Transaction as 237x based on TTM EBITDA (i.e. Purchase Price is 237 times TTM EBITDA of \$210k) and 11x based on 2025 EBITDA (i.e. Purchase Price is 11 times 2025 EBITDA of \$4.4 million), which as discussed below materially exceeds market comparables for companies in this industry.

Comparable Public Company Trading Multiples

51. A number of companies that are potentially comparable to the MTE Group are publicly traded. The Monitor obtained data from Capital IQ for public companies in the logistics and warehousing industry in the United States and Canada. The Monitor makes no comment on the degree of comparability of the companies used in the analysis but has summarized the information provided for indicative purposes³ as follows:

³ There are no comparable public companies in North America with a market cap under \$1 billion. As a result, the comparable company data includes an embedded size premium (among other premiums), and the public company

	EV / EBITDA			Discounted EV / EBITDA		
	2025A	TTM	2026E	2025A	TTM	2026E
Mean	10.4x	14.0x	12.3x	7.2x	9.8x	8.6x
Upper Quartile	12.8x	16.8x	15.6x	9.0x	11.8x	10.9x
Lower Quartile	8.3x	10.9x	9.8x	5.8x	7.7x	6.9x

52. As detailed above, the average EV/TTM EBITDA multiple was 14.0x while EV/2025 EBITDA was 10.4x for public companies in North America. Assuming a 30% discount for public-to-private companies, the average multiples decrease to 9.8x for EV/TTM EBITDA and 7.2x for EV/2025 EBITDA.
53. Using these private company trading multiples against the historical results for the MTE Group would imply a potential value range of approximately \$2 million (based on TTM EBITDA) to \$32 million (based on 2025 EBITDA). However, as noted above, the Purchase Price under the APA is approximately \$50 million, or approximately 56% higher than what a prospective purchaser may value the MTE Group using this valuation metric.

Comparable Market Transactions

54. The Monitor also obtained data from GF Data⁴ on potentially comparable market transactions for private companies based on the following search criteria:
- (a) transactions closed between January 2020 and March 2026;
 - (b) transactions with the NAICS code 488 - Support Activities for Transportation or 493 - Warehousing and Storage; and
 - (c) within the geographic regions of the United States and Canada.
55. The search returned data for 33 transactions, with an average EV/EBITDA multiple of 6.4x, as summarized below:

multiples have been discounted by 30% for an assumed public-to-private discount. As such, there is a high degree of variability in the data set which may impact the utility of these multiples for comparison purposes.

⁴ GF Data is a subscription-based database for anonymized valuation data on private-equity-sponsored middle market transactions, generally for deals ranging between \$10 million and \$500 million.

Year	TEV \$	Revenue \$	EBITDA		TEV / EBITDA	Number of transactions
			Margin %	TEV / Rev		
2020	47.1	46.9	21.8	1.6	6.9	5
2021	55.3	55.9	16.6	1.1	6.5	6
2022	62.4	80.3	16.6	0.9	6.0	8
2023-2024	50.3	41.8	18.1	1.3	6.5	7
2025-2026	45.8	46.0	21.8	1.4	6.2	7
Total	52.7	55.4	18.8	1.2	6.4	33

56. Using the average private company transaction multiple against the historical results for the MTE Group would imply a potential value range of approximately \$1.8 million (based on TTM EBITDA) to \$28.3 million (based on 2025 EBITDA). However as noted above, the Purchase Price under the APA is approximately \$50 million, or approximately 76% higher than what a prospective purchaser may value the MTE Group using this valuation metric.

Potential Alternatives to Transaction

57. The Monitor has also considered whether there are viable alternatives to the sale of the business pursuant to the Transaction, in particular, the following:
- (a) whether an orderly liquidation of the assets of the MTE Group would result in realization greater than the Purchase Price;
 - (b) whether a refinancing sufficient to repay Fiera would be possible; and
 - (c) whether an expedited sale process at this time would likely result in a sale at a value in excess of the Purchase Price.
58. The Monitor's assessment of each of these alternatives is discussed briefly below.

Liquidation

59. The Monitor has considered the potential liquidation value of the assets of the MTE Group in a shut-down scenario. The asset information from the MTE Group's May 31, 2026 internal balance sheet (attached hereto as **Appendix "D"**) is summarized below:

MTE Logistix Summary Balance Sheet Assets as at May 31, 2026 in CAD '000s	
<u>Current assets</u>	
Cash & cash equivalents	1,920
Accounts receivable	8,463
Inventories	16
Prepaid expenses	541
Due from related parties	1,187
Total current assets	12,127
<u>Non-current assets</u>	
Property, plant and equipment	12,312
Accumulated depreciation	(23,984)
Goodwill	14,018
Intangible assets	20,635
Deposits	1,453
Total non-current assets	24,434
Total assets	36,561

60. In the Monitor's judgment there is no reasonable possibility that the liquidation value of the assets of the MTE Group would result in realization greater than the Purchase Price due to, among other things:
- (a) the majority of the book value of assets is related to goodwill or other intangible assets that may have little to no realizable value in a liquidation scenario; and
 - (b) recoveries on tangible assets, such as accounts receivable, property, plant and equipment would normally be discounted by at least 10-25% to book values in a liquidation.

Refinancing

61. As noted above, the Lender's total secured debt equates to leverage ratios (i.e. Debt/EBITDA) of approximately 10x and 220x based on 2025 EBITDA and TTM EBITDA, respectively, levels are significantly higher than market norms for lenders. Further, as noted above, 2026 EBITDA is not projected to materially improve and potentially decrease by December 31, 2026.
62. Additionally, as noted in the July 15 Ethier Affidavit, the MTE Group does not have material tangible assets such as receivables, machinery and equipment or real property that

can be leveraged by lenders to lend against, at levels required to repay Fiera's existing debt positions.

63. Accordingly, the Monitor is of the view that there is no realistic prospect that the MTE Group could obtain a new source of financing sufficient to repay the outstanding obligations owing to Fiera in full.

Expedited Sale Process

64. The Monitor has considered whether an expedited sales process in the CCAA Proceedings whereby the APA acts as the "stalking horse bid" might reasonably be expected to generate a result that would exceed the value of the Credit Bid Consideration and provide some recovery to unsecured creditors.
65. The MTE Group does not have material tangible assets and as such, the Monitor is of the view that any prospective purchaser, acting rationally, would value the business based on a multiple of current and historical cash flows and EBITDA. As noted above, the Purchase Price materially exceeds any market data for comparable transactions or valuation metrics based on 2025 and TTM EBITDA. Furthermore, 2026 EBITDA is not projected to materially improve and potentially decrease by December 31, 2026, which would only further increase the valuation gap between the Transaction and market norms.
66. Accordingly, the Monitor does not believe that there is any reasonable prospect that an expedited sale process would generate higher or otherwise better offers as compared to the APA, and could potentially jeopardize the Transaction based on the concerns that have arisen from customers with the business as detailed in the July 15 Ethier Affidavit.

Conclusions on APA and Transaction

67. Based on the foregoing analysis, the Monitor supports the granting of the Approval and Vesting Order approving, among other things, the Transaction and the APA for the following reasons:

- (a) Fiera is the fulcrum creditor of the MTE Group with a clear economic priority over other stakeholders and delaying the Transaction could potentially erode the realization value of the Lender's security;
- (b) the Transaction provides for the sale of substantially all of the MTE Group's business and assets, as a going concern, and contemplates the continuation of the MTE Group's operations, preserves employment for the Transferred Employees, including the Unionized Employees, maintains customer relationships and contracts and maintains ongoing leases;
- (c) marketing of the Purchased Assets through a SISP or otherwise is unlikely to result in higher or otherwise better offers as compared to the APA, and could potentially jeopardize the Transaction, due to the lack of tangible assets and high implied valuation under the Transaction;
- (d) the Management Signatories, and Lender and their respective advisors have advised the Monitor that the business of the MTE Group is at risk of deterioration absent an expedited transaction or other resolution that provides an exit for the business of MTE Group from these CCAA proceedings; and
- (e) a deterioration of the business would likely result in an inability to complete a going concern transaction to the detriment of the MTE Group's customers, suppliers, landlords and over 300 employees.

IX. INCREASE TO INTERIM LENDER'S CHARGE

- 68. The ARIO approved the Interim Financing Facility made available to the MTE Group by the Interim Lender in order to finance their working capital requirements and restructuring costs and granted the Interim Lender's Charge to a maximum principal amount of \$3.5 million plus all interest, fees, expenses and other amounts accruing under the Interim Financing Term Sheet.

69. As discussed in the First Report, on June 30, 2026, the MTE Group received the Initial Advance under the Interim Financing Facility in the amount of \$3.5 million, net of the Commitment Fee.
70. Pursuant to the Interim Financing Term Sheet, the MTE Group is required to meet certain conditions prior to the funding of the subsequent advances totalling \$3.5 million. Certain of the relevant conditions to the subsequent advances including the following:
- (a) the Court shall have issued the ARIO in form and substance acceptable to the Interim Lender which, among other things, extends the Stay Period to August 31, 2026 or such other date as the Interim Lender may agree to in its sole discretion. The ARIO was issued on July 7, 2026;
 - (b) the Borrower shall have disclaimed the Eastlake Lease, which disclaimer was completed on June 29, 2026; and
 - (c) on or before July 21, 2026, the Court shall have granted orders which, among other things, authorize the Borrower to borrow up to the maximum availability of \$7.0 million, and approve the SISP, including approving the Stalking Horse Agreement. As discussed above, the MTE Group is no longer seeking approval of the SISP and is instead seeking approval of an immediate sale transaction pursuant to the APA, in order to best preserve its assets and business for the benefit of the MTE Group's stakeholders.
71. The Updated Cash Flow Forecast demonstrates that the MTE Group lacks liquidity to continue operations through to the closing of the Transaction. Accordingly, the MTE Group is seeking approval to increase the maximum availability under the Interim Financing Facility up to \$7.0 million in order to fund its ongoing operations during the Stay Period. The MTE Group is also seeking approval to increase the amount secured by the Interim Lender's Charge from \$3.5 million to \$7.0 million.
72. The Monitor is of the view that the proposed increase in the Interim Financing Facility is necessary and appropriate in the circumstances. As demonstrated in the Updated Cash Flow

Forecast, the MTE Group requires an additional \$3.5 million of interim financing to maintain its operations during the Stay Period. The Monitor believes that the increase to the Interim Financing Facility is in the best interests of the MTE Group's stakeholders and will advance the MTE Group's restructuring process, including completion of the Transaction pursuant to the SISP.

73. The Monitor is also supportive of the proposed increase to the Interim Lender's Charge from \$3.5 million to \$7.0 million. In the Monitor's view, the increase is reasonable in the circumstances and is required to secure the additional interim financing necessary to address the MTE Group's liquidity needs during the Stay Period.

X. STAY EXTENSION

74. The current Stay Period expires on July 30, 2026. The MTE Group is seeking an extension of the Stay Period to October 31, 2026.
75. The Monitor supports the MTE Group's request for an extension of the Stay Period to October 31, 2026 for the following reasons:
- (a) the MTE Group is acting in good faith and with due diligence;
 - (b) the extension of the Stay Period will provide sufficient time for the MTE Group to implement and close the Transaction, pursuant to the APA; and
 - (c) granting an extension of the Stay Period should not materially prejudice any creditor of the MTE Group as the Updated Cash Flow Forecast reflects that the MTE Group is projected to have sufficient funding to continue to operate in the normal course through the proposed stay extension period subject to approval of the increased Interim Financing Facility and related increase to the Interim Lender's Charge.

XI. CONCLUSIONS AND RECOMMENDATIONS

76. For the reasons set out in the Second Report, the Monitor is of the view that the relief requested by the MTE Group in the proposed Approval and Vesting Order and Ancillary Relief Order is both appropriate and reasonable in the circumstances.

77. Based on the foregoing, the Monitor respectfully recommends that this Court approve the relief sought by the MTE Group in the within application.

All of which is respectfully submitted this 16th day of July 2026.

KPMG Inc.

In its capacity as Monitor of

MTE Logistix Limited Partnership, MLG GP Ltd., Active Warehousing Inc.,

Hydrive Forklift & Equipment Inc., MTE Logistix Calgary Inc.,

MTE Logistix Edmonton Inc., MTE Logistix Management Inc.,

and Porter Warehousing & Distribution Inc.

And not in its personal or corporate capacity

Per:



Pritesh Patel

CIRP, LIT

Senior Vice President

Appendix “B”

COURT OF KING'S BENCH OF ALBERTA
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C.1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MLG GP LTD., 1094501 ALBERTA INC., 1705236 ALBERTA INC., 754439 ALBERTA INC., 604896
ALBERTA INC., 868195 ALBERTA INC., and 872845 ALBERTA INC.

(collectively the "Debtors")

MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash flow of the Debtors and 236 Limited Partnership (formerly known as MTE Logistix Limited Partnership) (together, the "**MTE Group**") is prepared as of the 15th day of October 2026, consisting of the period from October 11, 2026 to January 30, 2027 (the "**Cash Flow Forecast**"), has been prepared by the Management Signatory, in consultation with the Monitor for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Cash Flow Forecast.

Our review and consultation consisted of inquiries, analytical procedures and discussions related to information supplied by the Management Signatory. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow Forecast.

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

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the MTE Group or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
- c) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Forecast will be achieved.

The Cash Flow Forecast has been prepared solely for the purpose described in the notes thereto and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, in the Province of Ontario, this 15th day of October 2026.

KPMG Inc.

In its capacity as Monitor of

MLG GP Ltd., 1094501 Alberta Inc., 1705236 Alberta Inc., 754439 Alberta Inc., 604896 Alberta Inc.,
868195 Alberta Inc., and 872845 Alberta Inc.

And not in its personal or corporate capacity



Pritesh Patel, CIRP, LIT
Senior Vice President

COURT OF KING'S BENCH OF ALBERTA

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MLG GP LTD., 1094501 ALBERTA INC., 1705236 ALBERTA INC., 754439 ALBERTA INC., 604896
ALBERTA INC., 868195 ALBERTA INC., and 872845 ALBERTA INC. (collectively the "Debtors")**

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)

The Management Signatory has developed the assumptions and prepared the attached statement of projected cash flow of the Debtors and 236 Limited Partnership (formerly known as MTE Logistix Limited Partnership) (together, the "MTE Group") as of the 15th day of October 2026, consisting of the period from October 11, 2026 to January 30, 2027 (the "Cash Flow Forecast").

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow Forecast described in the notes therein, and the probable assumptions are suitably supported and consistent with the plans of the MTE Group and provide a reasonable basis for the Cash Flow Forecast. All such assumptions are disclosed in the notes therein.

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The Cash Flow Forecast has been prepared solely for the purpose described in the notes therein, using the probable and hypothetical assumptions set out therein. Consequently, readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

Dated at Calgary, in the Province of Alberta, this 15th day of October 2026.

**MLG GP Ltd., 1094501 Alberta Inc., 1705236 Alberta Inc., 754439 Alberta Inc., 604896 Alberta Inc., 868195
Alberta Inc., and 872845 Alberta Inc.**



Corey Knipelberg
Chief Financial Officer

MTE Logistix et al Cash Flow Forecast In CAD (\$000's); unaudited																			
CCAA Week		Forecast 1	Forecast 2	Forecast 3	Forecast 4	Forecast 5	Forecast 6	Forecast 7	Forecast 8	Forecast 9	Forecast 10	Forecast 11	Forecast 12	Forecast 13	Forecast 14	Forecast 15	Forecast 16		
Week Ending	Notes	17-Oct-26	24-Oct-26	31-Oct-26	7-Nov-26	14-Nov-26	21-Nov-26	28-Nov-26	5-Dec-26	12-Dec-26	19-Dec-26	26-Dec-26	2-Jan-27	9-Jan-27	16-Jan-27	23-Jan-27	30-Jan-27	Total	
Receipts	1																		
Other Receipts	2	-	-	-	-	600	-	-	-	-	-	-	-	-	-	-	-	600	
Total Receipts		-	-	-	-	600	-	-	-	-	-	-	-	-	-	-	-	600	
Operating Disbursements																			
Payroll	3	215	15	30	5	130	-	30	-	5	25	5	-	30	-	5	80	575	
Operating Expenses	4	265	115	115	65	65	65	15	15	15	15	15	15	15	5	-	-	800	
Professional Fees	5	-	-	150	-	-	-	55	-	-	-	55	-	-	-	-	55	315	
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Disbursements		480	130	295	70	195	65	100	15	20	40	75	15	45	5	5	135	1,690	
Net Cash Flow		(480)	(130)	(295)	(70)	405	(65)	(100)	(15)	(20)	(40)	(75)	(15)	(45)	(5)	(5)	(135)	(1,090)	
Opening Cash	6	1,615	1,135	1,005	710	640	1,045	980	880	865	845	805	730	715	670	665	660	1,615	
Net Cash Flow		(480)	(130)	(295)	(70)	405	(65)	(100)	(15)	(20)	(40)	(75)	(15)	(45)	(5)	(5)	(135)	(1,090)	
Repayment of Wind Down Advance	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(525)	(525)	
Closing Cash		1,135	1,005	710	640	1,045	980	880	865	845	805	730	715	670	665	660	0	0	

MTE Logistix et al
16-Week Cash Flow Forecast
Notes and Summary of Assumptions

In the Matter of the CCAA Proceedings of MLG GP Ltd., 1094501 Alberta Inc., 1705236 Alberta Inc., 754439 Alberta Inc., 604896 Alberta Inc., 868195 Alberta Inc., and 872845 Alberta Inc.

Disclaimer

In preparing this cash flow forecast (the “**Cash Flow Forecast**”), the MTE Group have relied upon unaudited financial information and have not attempted to further verify the accuracy or completeness of such information. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty, or other assurance that any of the estimates, forecasts or projections will be realized.

The Cash Flow Forecast is presented in Canadian dollars. All defined terms that are not otherwise defined herein are to have the same meaning ascribed to them in the third report of the Monitor dated October 15th, 2026 (the “**Third Report**”).

Note 1 Purpose of the Cash Flow Forecast

The purpose of the Cash Flow Forecast is to present the estimated cash receipts and disbursements of the MTE Group for the period from October 11, 2026 to January 30, 2027 (the “**Forecast Period**”), in respect of their proceedings under the CCAA. The Cash Flow Forecast has been prepared by management of the MTE Group, in consultation with the Monitor based on available financial information at the date of the Third Report. The Cash Flow Forecast relates to the period after the closing of the Transaction and includes payment of costs associated with the wind-down of the MTE Group’s business. Readers are cautioned that this information may not be appropriate or relied upon for any other purpose.

Note 2 Receipts

The receipts consist only of the return of collateral held by ATB Financial in connection with letter of credit facilities and the corporate credit card.

Note 3 Payroll

Payroll includes salaries and wages, vacation pay, payroll taxes and remittances, and employee benefits for salaried employees who remain employed by the MTE Group to perform activities during the Transition Services Agreement period and facilitate the wind-down of the MTE Group’s remaining business operations. Payroll also includes final payments to employees who have accepted employment with the Purchaser, relating to their employment with the MTE Group prior to the closing of the Transaction.

Note 4 Operating Expenses

Operating expenses consist of outstanding payments for insurance, building repairs and maintenance, equipment rentals, freight, and IT software costs incurred prior to the closing of the Transaction.

Note 5 Professional Fees

Professional fees include payments to the Monitor, the Monitor’s legal counsel, and counsel to the Management Signatory.

Note 6 Opening Cash

Represents the estimated aggregate of the amounts held in the MTE Group’ bank accounts.

Note 7**Repayment of Wind Down Advance**

Payment represents the repayment of the Wind Down Advance related to the remaining funds held by the MTE Group at the end of the Forecast Period.