UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO
SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 10, 2025

CREATIVE REALITIES, INC.
(Exact name of registrant as specified in its charter)

Minnesota	**001-33169**	**41-1967918**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

13100 Magisterial Drive, Suite 100, Louisville, KY 40223
(Address of principal executive offices)

(502) 791-8800
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	CREX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter):

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry Into Material Definitive Agreement.

Share Purchase Agreement

On October 15, 2025, Creative Realities, Inc. ("Creative Realities" or the "Company") entered into a Share Purchase Agreement (the "Share Purchase Agreement") with its wholly owned subsidiary, 1001372953 Ontario Inc., an Ontario corporation ("Buyer") and Cineplex Entertainment Limited Partnership, a Manitoba limited partnership ("Cineplex") to acquire DDC Group International, Inc., an Ontario corporation and wholly owned subsidiary of Cineplex ("DDC"). DDC is the parent company of its wholly owned subsidiary, Cineplex Digital Media Inc., an Ontario corporation ("CDM"), and CDM's wholly owned subsidiary, Cineplex Digital Media U.S. Inc., a Delaware corporation ("CDMUS"). In this report, DDC, CDM and CDMUS are collectively referred to as the "CDM Business," and such acquisition is referred to as the "CDM Acquisition."

Subject to the terms and conditions of the Share Purchase Agreement, at the closing of the CDM Acquisition, Creative Realities will acquire ownership of all of the issued and outstanding capital shares of DDC for a total purchase price of approximately CAD$70,000,000, subject to customary purchase price adjustments (the "Purchase Price"). The Share Purchase Agreement contains customary and negotiated representations, warranties, covenants, and indemnity provisions. The Share Purchase Agreement also contains closing conditions requiring that the Company shall have obtained debt and equity financing sufficient to pay the Purchase Price, that the CDM Acquisition shall have received regulatory approval pursuant to Canada's Competition Act, and other customary conditions. The Share Purchase Agreement contains certain termination rights for both Creative Realities and Cineplex, including rights to terminate the Share Purchase Agreement in the event of a material breach by the other party subject to a cure period), and the right of the parties to terminate the agreement on or after December 15, 2025 if the CDM Acquisition has not been consummated on such date, in each case, subject to the terms and condition of the Share Purchase Agreement.

Audited historical financial information for the operations comprising the CDM Business, together with pro forma financial information, will be made publicly available as required by applicable Securities and Exchange Commission ("SEC") rules adn regulations.

The foregoing description of the Share Purchase Agreement and the CDM Acquisition is not a complete description thereof and is qualified in its entirety by reference to the full text of the Share Purchase Agreement, a copy of which is filed as Exhibit 10.1 to this report and incorporated herein by this reference.

Securities Purchase Agreement and Certificate of Designations

On October 15, 2025, Creative Realities entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") with certain accredited investors (collectively, the "Buyers"), pursuant to which Creative Realities agreed to sell to the Buyers in a private placement, for an aggregate gross purchase price of $30.0 million, an aggregate of 30,000 shares of a newly established series of preferred stock, par value $0.01 per share, to be designated as Series A Convertible Preferred Stock (the "Preferred Shares"), which will have a stated value of $1,000 per share (the "Stated Value") and will initially be convertible into 10,000,000 shares of the Company's common stock, par value $0.01 per share (the "Common Stock"), subject to the Beneficial Ownership Limitation and the Exchange Cap limitation discussed below (the "Offering"). The Company anticipates that the Offering will close concurrently with the closing of the CDM Acquisition, subject to the satisfaction of closing conditions (which include the closing of the CDM Acquisition). The Company plans to use the net proceeds of the Offering to pay a portion of the purchase price for the CDM Acquisition and for other general corporate purposes.

As provided in the Securities Purchase Agreement, before the closing of the Offering, the Company will file with the Secretary of State of the State of Minnesota a Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock (the "Certificate of Designations"). The Certificate of Designations, in the form attached as an exhibit to the Securities Purchase Agreement, will establish and set forth the designations, preferences, powers and rights of the Preferred Shares. Pursuant to the Certificate of Designations, holders of Preferred Shares will be entitled to vote on an as-converted basis with the Common Stock (after taking into the account the Beneficial Ownership Limitation and the Exchange Cap limitation).

The Preferred Shares will rank senior to the Common Stock as to distributions and payments upon the liquidation, dissolution and winding up of the Company. Upon a liquidation, dissolution or winding up of the Company, the holders of Preferred Shares will be entitled to receive in cash, before any amount is paid to the holders of Common Stock, an amount per Preferred Share equal to the greater of (i) the Liquidation Preference (as defined below), or (ii) such amount per share as would have been payable had all Preferred Shares been converted into Common Stock immediately prior to such liquidation, dissolution or winding up.

The Preferred Shares will accrue dividends for a period of five years from and after the issuance date (the "Guaranteed Term") at a rate of 5.25% per year on the Stated Value, which will be payable in cash only at the Company's option beginning upon expiration of the Guaranteed Term. To the extent that, during the Guaranteed Term, (i) the Company undergoes any liquidation, dissolution, winding up, or "Fundamental Transaction" (as defined in the Certificate of Designations), or (ii) the Company elects to effect a Mandatory Conversion (as defined below) (each, a "Make Whole Event"), then, immediately prior to the effective time of such Make Whole Event, the amount of dividends accrued on the Preferred Shares will automatically be increased by an amount equal to any additional dividends that would have otherwise accrued on the Preferred Shares between the date of the Make Whole Event and the end of the Guaranteed Term (the "Make Whole Payment"), and the dividends will thereafter cease to accrue. In addition, holders of Preferred Shares will participate with the holders of Common Stock on an as-converted basis (without regard to any limitations or restrictions on conversion) to the extent any dividends are declared on the Common Stock.

Each Preferred Share will be convertible at the option of the holder from and after the date of issuance into shares of Common Stock ("Conversion Shares") at a rate (the "Conversion Rate") calculated by dividing (i) the Stated Value plus an amount per share equal to dividends accrued and unpaid through the date of determination (including, if applicable, any Make Whole Payment) (the "Liquidation Preference"), by (ii) by a conversion price of $3.00, subject to customary adjustment in the event of stock splits, stock dividends, and similar events (the "Conversion Price"), subject to the Beneficial Ownership Limitation and the Exchange Cap limitation.

A holder's ability to convert and vote its Preferred Shares will be subject to certain limitations. Under the Beneficial Ownership Limitation (as such term is defined in the Securities Purchase Agreement), no holder of Preferred Shares may acquire Conversion Shares if the issuance thereof would result in the converting holder or its affiliates beneficially owning in excess of 19.99% of the number of shares of our Common Stock outstanding immediately after giving effect to the issuance. Under the Exchange Cap limitation (as such term is defined in the Securities Purchase Agreement), the total number of Conversion Shares issuable upon conversion of outstanding Preferred Shares, when added to all Conversion Shares previously issued upon prior conversions, may not exceed 2,102,734 shares, which represents 19.99% of the Company's issued and outstanding Common Stock immediately prior to entering into the Securities Purchase Agreement. If the Company obtains shareholder approval to issue shares of Common Stock in excess of the conversion limitations, as required by applicable Nasdaq Listing Rules, a holder of Preferred Shares may elect for the Exchange Cap to cease to apply to the holder's Preferred Shares, which election will become effective 61 days after the election. A holder of Preferred Shares, upon written notice to the Company, may decrease (and thereafter increase) the Beneficial Ownership Limitation; provided that the Beneficial Ownership Limitation in no event exceeds 19.99%, or, if such shareholder approval is obtained, 49.99%. Under the Securities Purchase Agreement, the Company has agreed to call and hold, not later than 90 days after the closing of the Offering, an annual or special meeting of shareholders to approve the issuance of Conversion Shares in excess of the Exchange Cap limitation and to increase the maximum Beneficial Ownership Limitation percentage to 49.99%. In addition, as a condition to the Closing, each director and executive officer of the Company will enter into a voting agreement under which the director or executive officer will agree to vote his or her shares of Common Stock in favor of such approval.

After the three year anniversary of the issuance date, if on any date (x) the Company's EBITDA (as defined in the Certificate of Designations) for the four consecutive calendar quarters immediately preceding such date equals or exceeds $30.0 million, (y) the Net Debt Leverage Ratio (as defined in the Certificate of Designations) of the Company as of such date is less than 1.5X, and (z) the closing price of the Common Stock on its principal trading market equals or exceeds 300% of the then-applicable Conversion Price for 45 trading days during any 60 consecutive trading day period, the Company will have the right to cause the conversion of all of the outstanding Preferred Shares into Conversion Shares at the Conversion Rate (such conversion being a "Mandatory Conversion").

The Preferred Shares will be subject to automatic redemption for cash upon a "Fundamental Transaction" by the Company, which includes a merger, sale of all or substantially all the assets of the Company, recapitalization, or the sale by the Company of shares resulting in more than 50% ownership by a person or group. In such event, the redemption price would be equal to the greater of (i) the Liquidation Preference or (ii) the consideration per share of Common Stock in the Fundamental Transaction (or, in the event of a Fundamental Transaction in which consideration does not consist solely of cash, the volume-weighted average price of the Common Stock immediately preceding the closing of the Fundamental Transaction).

The Certificate of Designations will provide that, for so long as the Buyer designated as the Lead Investor under the Securities Purchase Agreement (the "Lead Investor") and its affiliates beneficially own at least 20% of the Conversion Shares underlying the Preferred Shares (the "Ownership Condition"), the Company may not, without the consent of the Lead Investor, (i) create, authorize, or issue any capital stock that rank senior to or pari passu with the Preferred Shares, (ii) incur debt that would result in the ratio of debt to EBITDA of the Company for preceding twelve calendar months would exceed 2.5:1, (iii) purchase or redeem, or pay or declare any dividend on shares of capital stock other than redemptions of or dividends on the Preferred Shares, (iv) complete an acquisition (other than the CDM Acquisition) with consideration above $5.0 million, (v) enter into, renew, extend or be a party to certain related party transactions, or (vi) amend, alter or repeal any provision of the Company's articles of incorporation or bylaws in a manner that adversely affects the rights, powers and preferences of the Preferred Shares.

In addition, the Securities Purchase Agreement prohibits the Company from issuing Common Stock or securities convertible into or exchangeable or exercisable for Common Stock within 120 days of the closing of the Offering (subject to exceptions for stock plan issuances), and provides that, for so long as the Ownership Condition is satisfied, (i) the Lead Investor or its designees will have a right to participate on a pro rata basis in equity financing transactions, and (ii) the Company may not, without the consent of Lead Investor, issue securities that in the aggregate constitute more than 10% of the Company's outstanding shares of Common Stock as of the closing of the Offering, subject to certain exceptions. The Securities Purchase Agreement also prohibits the Company from entering into or effecting variable rate transactions for five years following the closing of the Offering.

The Securities Purchase Agreement provides that the Board of Directors of the Company (the "Board") will approve an increase in the size of the Board to seven directors, and will appoint each of Thomas B. Ellis and Todd B. Hammer to the Board effective as of the closing of the Offering, and will provide the Lead Investor with continuing director designation rights based on the beneficial ownership of the Lead Investor and its affiliates' beneficial ownership of Common Stock on an as-converted basis. The director designation right will be limited to one Board designee at such time as the Lead Investor and its affiliates cease to beneficially own at least 15% of the Company's outstanding shares of Common Stock on an as-converted basis, and the designation right will cease to exist if such beneficial ownership threshold fall below 5%.

The Securities Purchase Agreement includes a standstill provision pursuant to which the Lead Investor has agreed that neither it nor any of its affiliates or associates will, for a period of two (2) years after the closing of the Offering, initiate any corporate action relating to (i) the nomination of any individual to serve as a director of the Company (other than the pursuant to the director designation right described above), or (ii) any business combination, merger, tender offer, sale or acquisition of material assets, recapitalization, reorganization or any other extraordinary transaction involving the Company or its subsidiaries, subject to certain exceptions.

In addition to the foregoing, the Securities Purchase Agreement contains representations, warranties, and covenants that are customary for financing transactions such as the Offering, which were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed upon by the contracting parties. Accordingly, the Securities Purchase Agreement is incorporated herein by reference only to provide investors with information regarding the terms of the Securities Purchase Agreement, and not to provide investors with any other factual information regarding the Company or its business, and should be read in conjunction with the disclosures in the Company's periodic reports and other filings with the Securities and Exchange Commission.

At or prior to the closing of the Offering, the Company and the Buyers will enter into a registration rights agreement in the form attached as an exhibit to the Securities Purchase Agreement (the "Registration Rights Agreement") pursuant to which the Company will agree to file a resale registration statement with respect to the resale of the Conversion Shares not later than 45 calendar days following the execution of the Registration Rights Agreement, and to use its reasonable best efforts to cause such resale registration statement to be declared effective by the SEC as soon as practicable, but in any event no later than 75 calendar days following the execution of the Registration Rights Agreement (or, in the event of a "full review" by the SEC, the 90th calendar day following the execution of the Registration Rights Agreement).

The foregoing descriptions of the Securities Purchase Agreement, the Certificate of Designations and the Registration Rights Agreement are not complete and are qualified in their entirety by the terms of the Securities Purchase Agreement attached as Exhibit 10.2 to this report and the terms of the forms of the Certificate of Designations and the Registration Rights Agreement attached as exhibits thereto, respectively, which are incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As previously reported on a Current Report on Form 8-K filed September 26, 2025, David Ryan Mudd resigned as Chief Financial Officer of the Company effective October 10, 2025. On October 10, 2025, the Company's Board of Directors appointed Richard Mills, the Company's current Chairman and Chief Executive Officer, as the interim Chief Financial Officer of the Company.

Item 7.01 Regulation FD Disclosure.

On October 16, 2025, the Company issued a press release announcing the foregoing matters, which is furnished as Exhibit 99.1 hereto.

Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section and shall not be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01. Financial Statement and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1*	Share Purchase Agreement, by and among the registrant, 1001372953 Ontario Inc., and Cineplex Entertainment Limited Partnership, dated as of October 15, 2025
10.2*	Securities Purchase Agreement, by and between the registrant and the Buyers listed therein, dated as of October 15, 2025
99.1	Press release dated October 16, 2025
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Exhibits and/or schedules have been omitted pursuant to Item 601(a)(5) and/or 601(b)(10)(iv) of Regulation S-K. The registrant hereby undertakes to furnish supplementally copies of any of the omitted exhibits and schedules upon request by the SEC; provided, however, that the registrant may request confidential treatment pursuant to Rule 24b-2 under the Exchange Act, for any exhibits or schedules so furnished.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CREATIVE REALITIES, INC.:

Dated: October 16, 2025

By: /s/ Richard Mills
RICHARD MILLS
Chief Executive Officer

EXHIBIT INDEX

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Exhibit 10.1

Execution Version

SHARE PURCHASE AGREEMENT

Dated as of October 15, 2025

by and among

Cineplex Entertainment Limited Partnership

Creative Realities, Inc.

and

1001372953 Ontario Inc.

Exhibits

Exhibit A	Calculation of Net Working Capital
Exhibit B	Advertising Sales Agency Agreement
Exhibit C	Transition Services Agreement
Exhibit D	Form of Resignation and Mutual Release

Schedules

Schedule 1.1	Planned Capital Expenditures
Schedule 3.4(i)	Closing Notices

SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT ("Agreement"), is dated as of October 15, 2025, by and among Creative Realities, Inc., a Minnesota corporation ("Parent"), 1001372953 Ontario Inc., an Ontario corporation ("Buyer"), Cineplex Entertainment Limited Partnership, a Manitoba limited partnership ("Seller"). Parent, Buyer, Seller are each referred to as a "Party," and collectively referred to as the "Parties."

WHEREAS, Seller is the sole owner of 12,742 common shares in the capital of DDC Group International, Inc., an Ontario corporation ("DDC"), which constitutes all of the issued and outstanding shares in the capital of DDC (the "Shares");

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to acquire from Seller, the Shares in accordance with the terms and subject to the conditions of this Agreement;

WHEREAS, DDC is the sole owner of 420 common shares and 300 class "A" special shares in the capital of Cineplex Digital Media Inc., an Ontario corporation ("CDM"), which constitutes all of the issued and outstanding shares in the capital of CDM;

WHEREAS, CDM is the sole owner of 100 shares of common stock of Cineplex Digital Media U.S. Inc., a Delaware corporation ("CDMUS," together with DDC and CDM, each a "Company," and collectively, the "Companies"), which constitutes all of the issued and outstanding shares of capital stock of CDMUS; and

WHEREAS, the boards of directors of each of Parent, Buyer and Seller have determined that the transactions contemplated hereby are in the best interests of their respective shareholders and have approved and declared advisable this Agreement and the transactions contemplated hereby;

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. In this Agreement, the following terms have the meanings specified or referred to in this Section 1.1.

"Accounting Arbitrator" has the meaning specified in Section 2.3(c).

"Accounts Receivable" means the aggregate amount of accounts, commissions and debts payable to a Company determined according to IFRS consistently applied in accordance with the Companies' accounting policies and practices.

"Action" means any claim, action, cause of action or suit (whether in contract, tort or otherwise), litigation (whether at law or in equity, whether civil, regulatory or criminal), controversy, assessment, arbitration, investigation, audit, hearing, complaint, demand, notice, prosecution or proceeding to, from, by or before any Governmental Authority.

"Advance Ruling Certificate" means the issuance by the Commissioner of a certificate under Section 102(1) of the Competition Act indicating that he is satisfied that he would not have sufficient grounds to apply to the Competition Tribunal for an order under section 92 in respect of the Contemplated Transactions.

"Affiliate" means, with respect to any Person, any other Person which, at the time of determination, directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with such Person. For purposes of this Agreement, "control", "controlled by", "under common control with" and "controlling" means, as to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Affiliated Group" means an affiliated group as defined in Section 1504 of the Code (or analogous combined, consolidated or unitary group defined under state, local or foreign Laws with respect to income Tax).

"Agreement" has the meaning specified in the preamble hereto.

"AI Input" means any and all data, prompts, or other content provided to a Software for the purpose of creating an AI Output.

"AI Output" means any and all data, works, or other content generated through Software from an AI Input.

"AI Product" means each Customer Offering that employs, incorporates or makes use of any AI Technology.

"AI Technology" means any and all deep learning, machine learning, and other artificial intelligence technologies, including any and all: (a) proprietary algorithms, software, or systems that make use of or employ neural networks, statistical learning algorithms (such as linear and logistic regression, support vector machines, random forests, or k-means clustering), or reinforcement learning; and (b) proprietary embodied or generative artificial intelligence and related hardware or equipment.

"Annual Financials" has the meaning specified in Section 4.6(a).

"Arbitrator" has the meaning specified in Section 13.11(d).

"Assets" means all properties, rights and assets of each Company, whether real or personal, tangible or intangible, including all assets reflected in the Interim Financials or acquired after the Interim Balance Sheet Date (except for such assets which have been sold or otherwise disposed of since the Interim Balance Sheet Date in the Ordinary Course of Business).

"Audited Financials" has the meaning specified in Section 9.6.

"Authorized Signatory" has the meaning specified in Section 4.26(b).

"Business" means the development, creation, supply, production, installation, management, maintenance and delivery of advertising, data and related content product and solutions delivered via hardware and software, including the following products: digital signage, self-service kiosks, order confirmation systems, digital merchandising systems, digital fountain displays, digital box office, digital movie posters, digital out of home, "wayfinding," digital auditorium signs and menu board displays and the optimization thereof conducted by the Company.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in Toronto, Ontario, Canada.

"Buyer" has the meaning specified in the preamble hereto.

"Buyer Ancillary Agreements" means all agreements, instruments and documents being or to be executed and delivered by Buyer under this Agreement or in connection herewith, including the Transition Services Agreement.

"Buyer Board" has the meaning specified in Section 6.2(b).

"Buyer Group Member" means Parent, Buyer and its Affiliates and respective directors, managers, officers, employees, consultants, counsel, accountants, and other agents (including, following the Effective Time, the Companies) (each of whom, other than Buyer and the Parent, is an express third-party beneficiary of this Agreement).

"Buyer Prepared Return" has the meaning specified in Section 8.1(b).

"Cash" means the aggregate cash and cash equivalents of any kind (including outstanding deposits, bank account balances, marketable securities, short term investments and cleared checks) of the Companies.

"CASL" means An Act to Promote the Efficiency and Adaptability of the Canadian Economy by Regulating Certain Activities that Discourage Reliance on Electronic Means of Carrying out Commercial Activities, and to Amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, SC 2010, c 23.

"CDM" has the meaning specified in the recitals hereto.

"CDMUS" has the meaning specified in the recitals hereto.

"Claim Notice" has the meaning specified in Section 11.4(a).

"Clean-up" means investigation, cleanup, removal, containment, mitigation, prevention, rehabilitation or other remediation or response actions required by applicable Environmental Law or Occupational Safety and Health Law.

"Closing" has the meaning specified in Section 3.1.

"Closing Date" has the meaning specified in Section 3.1.

"Closing Date Cash" means any Cash as of Closing, which, for greater certainty, shall exclude any Permitted Distributions paid or payable by the Companies in accordance with Section 7.10.

"Closing Date Indebtedness" means any Indebtedness of the Companies as of the Closing.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Commissioner" means the Commissioner of Competition appointed pursuant to Section 7(1) of the Competition Act or his designate.

"Companies" has the meaning specified in the recitals hereto.

"Company Ancillary Agreements" means all agreements, instruments and documents being or to be executed and delivered by the Companies under this Agreement or in connection herewith, including the Transition Services Agreement.

"Company Employees" means each employee of any Company.

"Company Independent Contractors" means each independent contractor of any Company.

"Company Intellectual Property" means, collectively, the Company Owned Intellectual Property and the Company Licensed Intellectual Property.

"Company IP Agreements" has the meaning specified in Section 4.16(b).

"Company Plan" means all material employee benefit plans and all retirement, welfare benefit, bonus, stock option, stock purchase, restricted stock, incentive, equity or equity-based compensation, deferred compensation, retiree health or life insurance, supplemental retirement, severance, change in control, vacation or other benefit plans, programs or arrangements, whether written or oral, that are maintained, contributed to or sponsored by a Company or its respective Affiliates, for which such Company has incurred any liability or obligation directly or indirectly for the benefit of any current or former Company Employee, or any Company director or individual consultant, other than governmental plans or arrangements, including but not limited to pension, medical insurance, parental insurance, employment insurance, workers' compensation, and other similar plans.

"Company Source Code" means any source code or any portion, aspect or segment of any source code, relating to any Company Technology.

"Company Technology" means any and all technology, including Customer Offerings and Internal Systems, exclusively related to the Business and any and all Intellectual Property in any and all such technology.

"Competition Act" means the Competition Act (Canada), RSC 1985, c. C-34.

"Competition Act Approval" means, with respect to the Contemplated Transactions, the occurrence of one or more of the following: (a) the issuance to the Buyer of an Advance Ruling Certificate; or (b) the waiting period, including any extension thereof, under Section 123 of the Competition Act shall have expired or been terminated or waived, or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act shall have been waived in accordance with Section 113(c) of the Competition Act; or (c) the Buyer shall have received a No-Action Letter.

"Competition Tribunal" means the Competition Tribunal established by subsection 3(1) of the Competition Tribunal Act (Canada), RSC 1985, c 19 (2nd Supp).

"Contaminant" means any solid, liquid, gas, emission, odour, heat, sound, vibration, radiation, element, noise, dust, smoke, material, substance, chemical, products, waste, compound, particulate or any derivative or combination of the foregoing that may impair or adversely affect the environment, injure or damage property or plant or animal life or harm, impair or adversely affect the enjoyment of property or the health of any individual, and includes fluorinated chemical substances, chemical substances in the per- and polyfluoroalkyl substances (PFAS) family, and any substance, compound or derivative defined, regulated, prohibited, prescribed, limited or prohibited by a Governmental Authority or any Environmental Laws or which is otherwise characterized under or pursuant to, defined in or regulated under any Environmental Laws as "hazardous", "waste", "toxic", "deleterious", "dangerous", "pollutant", "contaminant", "radioactive", "harmful", or words of similar meaning.

"Contemplated Transactions" means the transactions contemplated by this Agreement and each of the Transaction Documents.

"Contract" means, with respect to any Person, any contract, agreement, commitment, deed, mortgage, lease, license or warranty obligation, whether written or oral, express or implied, or other document or instrument (including any document or instrument evidencing or otherwise relating to any Indebtedness), to which or by which such Person is a party or otherwise subject or bound.

"Customer Offerings" means (a) the products (including Software and documentation) that any Company (i) currently develops, manufactures, markets, distributes, makes available, sells or licenses to third parties, (ii) has developed, manufactured, marketed, distributed, made available, sold or licensed to Persons within the previous two (2) years, or (iii) currently plans to develop, manufacture, market, distribute, make available, sell or license to Persons in the future and (b) the services that any Company (i) currently provides or makes available to Persons, (ii) has provided or made available to Persons within the previous two (2) years, or (iii) currently plans to provide or make available to Persons in the future.

"Data Room" means the "Project Presto" data site maintained on the Firmex platform.

"DDC" has the meaning specified in the recital hereto.

"Debt Commitment Letter" has the meaning specified in Section 6.7(a).

"Debt Financing" has the meaning specified in Section 6.7(a).

"Debt Financing Sources" has the meaning specified in Section 6.7(a).

"Deductible" has the meaning specified in Section 11.3(f).

"Disclosed Personal Data" means Personal Data that is subject to Canadian privacy legislation and that a Party receives from one of the other Parties in connection with this Agreement prior to Closing.

"Disclosure Requirements" has the meaning specified in Section 8.8.

"Disputed Items" has the meaning specified in Section 2.3(c).

"Effective Time" means 12:01 a.m. Eastern Prevailing Time on the Closing Date.

"Encumbrance" means any lien, claim, charge, security interest, security agreement, deed of trust, mortgage, pledge, hypothecation, encumbrance, option, encroachment, Governmental Order, easement, conditional sale or other title retention agreement, defect in title, covenant or other restrictions of any kind, restrictions on transfer (other than restrictions on transfer arising under applicable securities Laws) or other similar encumbrances whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under applicable laws relating to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the province or state which governs the property, interest or right.

"Enforceable" means, with respect to any Contract stated to be "Enforceable" by or against any Person, that such Contract is a legal, valid and binding obligation of such Person fully enforceable by or against such Person in accordance with its terms, except as may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforceability of creditors' rights generally and (b) general principles of equity that may limit the availability of remedies (regardless of whether enforceability is considered in a proceeding in equity or at law).

"Environmental Laws" means all applicable Laws relating to or addressing (i) the protection and preservation of the natural environment and of plant, animal, fish or human health and safety in relation to Contaminants in the Environment; (ii) any Contaminants or any activity, incident, event or occurrence involving the use, handling, treatment, storage, Release, threatened Release, manufacture, possession, storage, presence, generation, transportation, import, export, distribution, processing, abatement, removal, remediation, disposal, disposition or disposal of any Contaminant, and any corrective action or response with respect to the foregoing; and (iii) otherwise imposing liability or standards of conduct concerning the protection and preservation of the natural environment and of plant, animal, fish, or human health in relation to Contaminants in the Environment, including all with respect to monitoring, record-keeping, notification, disclosure and reporting relating to clauses (i), (ii) and/or (iii) and all Governmental Permits issued or required to be issued pursuant to such laws and legal requirements relating to clauses (i), (ii) and (iii).

"Environmental, Health and Safety Liabilities" means any Governmental Order, Governmental Investigation, claim, demand, suit, cost, damages, expense, liability, debt, obligation (including any investigatory, corrective or remedial obligation), or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to: (a) any environmental, health, or safety matters or conditions (including the presence of on-site or off-site Contaminants, and regulation of chemical substances or products); (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and response, investigative, remedial, or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law; (c) financial responsibility under Environmental Law or Occupational Safety and Health Law for Clean-up costs or actions, (whether or not such Clean-up has been required or requested by any Governmental Authority or any other Person); or (d) any other compliance, corrective, investigative or remedial measures required under Environmental Law or Occupational Safety and Health Law.

"Equity Financing" has the meaning specified in Section 6.7(a).

"Equity Provider" means North Run Strategic Opportunities Fund I, LP.

"Estimated Closing Statement" has the meaning specified in Section 2.3(a).

"Estimated Closing Date Cash" has the meaning specified in Section 2.3(a).

"Estimated Closing Date Indebtedness" has the meaning specified in Section 2.3(a).

"Estimated Net Working Capital" has the meaning specified in Section 2.3(a).

"Estimated Purchase Price" means:

(a) Seventy Million Dollars ($70,000,000); plus

(b) the amount by which the Estimated Net Working Capital exceeds the Target Net Working Capital, if applicable; minus

(c) the amount by which the Target Net Working Capital exceeds the Estimated Net Working Capital, if applicable; minus

(d) the Estimated Transaction Expenses; minus

(e) the Estimated Closing Date Indebtedness; plus

(f) the Estimated Closing Date Cash; minus

(g) the Planned Capital Expenditures Amount.

"Estimated Transaction Expenses" has the meaning specified in Section 2.3(a).

"Exiting Employee Payments" has the meaning specified in Section 9.3(a).

"Exiting Employees" has the meaning specified in Section 9.3(a).

"Expenses" means any and all expenses incurred in connection with investigating, defending or asserting any investigation (including any Governmental Investigation), claim, action, suit or proceeding incident to any matter indemnified against hereunder (including court filing fees, court costs, arbitration fees or costs, witness fees, and reasonable fees and disbursements of legal counsel, investigators, expert witnesses, consultants, accountants and other professionals), but excluding any allocation of internal Buyer or Seller costs.

"Facilities" means any buildings, plants, improvements or structures located on the Real Property.

"Fee Letter" has the meaning specified in Section 6.7(a).

"Final Closing Date Cash" has the meaning specified in Section 2.3(c).

"Final Closing Date Indebtedness" has the meaning specified in Section 2.3(c).

"Final Closing Statement" has the meaning specified in Section 2.3(c).

"Final Net Working Capital" has the meaning specified in Section 2.3(c).

"Final Transaction Expenses" has the meaning specified in Section 2.3(c).

"Final True-Up Statement" has the meaning specified in Section 9.3(h).

"First True-Up Statement" has the meaning specified in Section 9.3(f).

"Fundamental Representations" has the meaning specified in Section 11.3(a).

"Governmental Authority" means any federal, state, provincial, municipal, local or foreign (a) government or any governmental, regulatory or administrative body thereof, or political subdivision thereof, (b) governmental agency, instrumentality, commission, department, board, bureau, office or any authority thereof, (c) multinational or supra national entity, body or authority or (d) court, tribunal or other adjudicative body.

"Governmental Investigation" means an investigation by a Governmental Authority, other than routine contract audits, site visits, corrective plans or inspections of deliverables.

"Governmental Order" means any order, judgment, injunction, decree, writ, stipulation, ruling, determination or award, in each case entered by or with any Governmental Authority.

"Governmental Permits" has the meaning set forth in Section 4.10.

"Guaranteed Obligations" has the meaning set forth in Section 13.9(a).

"IFRS" means the International Financial Reporting Standards as issued by the International Accounting Standards Board and included in the CPA Canada Handbook (Part I) published by the Chartered Professional Accountants of Canada.

"Income Tax Return" means any Tax Return filed or required to be filed in connection with the determination, assessment or collection of any Tax measured by or imposed on net income or earnings (and any franchise Tax or other Tax in connection with doing business imposed in lieu thereof).

"Indebtedness" of any Person shall mean and include (a) indebtedness for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money; (b) indebtedness evidenced by any note, bond, debenture, mortgage or other debt instrument, debt security or other similar instrument; (c) indebtedness of such Person secured by an Encumbrance on assets or properties of such Person; (d) any liability of such Person in respect of drawn banker's acceptances or letters of credit or overdrafts, if and to the extent drawn upon; (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with Canadian GAAP prior to the introduction of IFRS 16, recorded as capital leases; (f) all obligations issued or assumed as the deferred purchase price of property, goods or services, net of any related prepaid vendor deposits, any related inventory held and any related accounts receivable amounts; (g) direct or indirect guarantees or other contingent liabilities (including so called "make-whole," "take-or-pay" or "keep-well" agreements) with respect to any indebtedness, obligation, claim or liability of any other Person of a type described in clauses (a) through (g) above; and (h) with respect to any indebtedness, obligation, claim or liability of a type described in clauses (a) through (g) above, all accrued and unpaid interest, premiums, penalties, breakages costs, fees, termination costs, redemption costs, expenses and other charges with respect to any thereof, in each case solely to the extent that payment has been demanded by the beneficiary of such obligation and the underlying obligor is in default of such obligations. Notwithstanding the foregoing, "Indebtedness" shall not include (i) any amounts reflected in Transaction Expenses or Net Working Capital, (ii) any liabilities or obligations related to financing arrangements entered into by or at the written direction of Buyer or its Affiliates in connection with the Contemplated Transactions or (iii) any Indebtedness between any of the Companies.

"Indemnified Party" has the meaning specified in Section 11.4(a).

"Indemnitor" has the meaning specified in Section 11.4(a).

"Intellectual Property" means all of the following, whether protected, created or arising under the laws of Canada or any non-Canadian jurisdiction: (a) inventions and patents and patent applications therefor (including all patents issuing thereon), together with all continuation applications of all types, including reissuances, divisions, continuations, continuations-in-part, revisions, extensions and re-examinations thereof, and all rights therein provided by international treaties or conventions rights; (b) trademarks, service marks, signs, trade dress, logos, and trade names, whether registered or unregistered, and Internet domain names; (c) copyrightable works (including software and AI Inputs), all copyrights and applications, and all registrations and renewals in connection therewith; (d) industrial designs, whether registered or unregistered; and (e) trade secrets and know-how.

"Intellectual Property Registrations" means Patent Rights, registered Trademarks, registered copyrights and designs, registered databases, mask work registrations and applications and filings for each of the foregoing, including for any Intellectual Property rights that have been registered, filed, certified or otherwise perfected or recorded with or by any Governmental Authority.

"Interim Balance Sheet Date" has the meaning specified in Section 4.6(a).

"Interim Financials" has the meaning specified in Section 4.6(a).

"Internal Systems" means the Software and documentation and the computer, communications and network systems (both desktop and enterprise wide), materials and test apparatus used by any Company in its businesses or operations or to develop, manufacture, fabricate, assemble, provide, distribute, support, maintain or test the Customer Offerings, whether located on the premises of any Company or hosted at a third party site.

"Knowledge of Buyer" (or similar phrase to the same effect) means the actual knowledge (after reasonable inquiry) of Rick Mills, George Sautter and Ryan Mudd, without personal liability on the part of any of them.

"Knowledge of Seller" (or similar phrase to the same effect) means the actual knowledge (after reasonable inquiry) of Gord Nelson, Dan McGrath, Fabrizio Stanghieri, James Stockford, and Curtis Ryckman, without personal liability on the part of any of them.

"Laws" means any Canadian, United States, or foreign federal, state, provincial, territorial, municipal, and local laws, statutes, regulations, directives, rules, jurisprudence, codes, ordinances, constitutions, legal requirements, Governmental Orders or treaties enacted, adopted, issued or promulgated by any Governmental Authority, including the common law of any such jurisdiction.

"Losses" means, with respect to any Person, all losses, damages, fines, penalties, fees, costs or Expenses (including reasonable legal fees and expenses other professional fees, costs and expenses actually incurred in connection with an Action), settlement amounts, awards, judgments and liabilities against or affecting such Person. The term "Losses" shall not include any special, exemplary or punitive damages, except, only in the event of a Third-Party Claim, to the extent any Indemnified Party is liable for such special, exemplary or punitive damages pursuant to an award by a court of competent jurisdiction in a final, non-appealable decision.

"Material Contract" has the meaning specified in Section 4.17(a).

"Advertising Sales Agency Agreement" means that certain advertising sales agency agreement by and between Seller and CDM, in the form appended hereto as Exhibit B.

"Net Working Capital" means total consolidated current assets minus total consolidated current liabilities of the Companies as of Closing, as calculated pursuant to IFRS (except as specifically set forth herein or on Exhibit A) as set forth on Exhibit A hereto; *provided*, *however*, that all Closing Date Indebtedness and Transaction Expenses to be paid from the proceeds of Closing pursuant to Section 3.2 hereof shall not be considered to be a current liabilities in determining Net Working Capital, and Net Working Capital shall exclude Cash. For the avoidance of doubt, to the extent an amount is addressed by or fits within the definition of "Net Working Capital," as well as the definition of "Indebtedness," such amount shall not be duplicated for purposes of any calculations hereunder.

"No-Action Letter" means a notice from the Commissioner or a Person authorized by the Commissioner indicating that the Commissioner does not, as of the date of the notice, intend to make an application under Section 92 of the Competition Act in respect of the Contemplated Transactions.

"Notice of Arbitration" has the meaning specified in Section 13.11(d).

"Occupational Safety and Health Law" means any applicable Law related to occupational health and safety, including the Occupational Safety and Health Act of 1970, as amended, the *Occupational Health and Safety Act* (Ontario), as amended, and the respective rules and regulations promulgated thereunder, as adopted and in effect prior to the Closing Date.

"Open Source Materials" means any Software, documentation or other material that (a) is distributed as "free software," "open source software" or under a similar licensing or distribution model, including the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), or any other license described by the Open Source Initiative as set forth on www.opensource.org, or (b) grants, or purports to grant, to any third party, any rights or immunities under Intellectual Property rights (including that (i) require or purport to require, as a condition of the modification, distribution or other use of such material, that any Software, documentation or other material incorporated into, derived from or distributed with such Software, documentation or other material (1) be disclosed or distributed in source code form, (2) be licensed for the purpose of making derivative works, or (3) include attribution notices) or (c) restricts or purports to restrict the licensee's ability to (i) charge for distribution of any Software, documentation or other material, or (ii) use any Software, documentation or other material for commercial purposes.

"Ordinary Course of Business" means an action taken by any Person in the ordinary course of such Person's business which is consistent in all material respects with the past customs and practices of such Person and which is taken in the normal day-to-day operations of such Person and does not require the consent of the holders of equity securities of, or the board of directors of, such Person, provided that, the Ordinary Course of Business shall include all actions taken or omitted to be taken by the Companies that are mandated by any Governmental Authority in response to or in connection with any epidemic, pandemic, endemic, or disease or viral outbreak, including SARS-CoV-2 or COVID-19, and any evolutions thereof or related or associated epidemics, pandemics or disease outbreaks.

"Organizational Documents" means, with respect to any Person (other than an individual), (a) the certificate or articles of incorporation, formation or organization, and any joint venture, limited liability company, operating or partnership agreement and other similar documents entered into or adopted at any time or filed in connection with the creation, formation or organization of such Person and (b) all by-laws, shareholders' agreements, voting agreements, rights of first refusal and similar documents, instruments or agreements relating to the organization or governance of such Person, in each case, as amended or supplemented.

"Outside Date" means December 15, 2025.

"Patent Rights" means all patents, patent applications (including provisional applications), utility models, design registrations and certificates of invention and other governmental grants for the protection of inventions or industrial designs (including all related continuations, continuations-in-part, divisionals, reissues and re-examinations).

"Permitted Distribution" has the meaning specified in Section 7.10(a).

"Permitted Encumbrances" means any: (a) Encumbrances for Taxes, assessments or other governmental charges or levies that are not yet due and payable or that may hereafter be paid without material penalty or that are being contested in good faith by appropriate actions, to the extent such amount is reserved in the Net Working Capital; (b) statutory Encumbrances of landlords and workers', carriers', materialmen's, suppliers' and mechanics' or other like Encumbrances incurred in the Ordinary Course of Business that are not overdue or that are being contested in good faith by appropriate actions, in each case, the extent such amount is reserved in the Net Working Capital; (c) Encumbrances and encroachments which do not materially interfere with the present use of the properties they affect, or the operation of the Business; (d) Encumbrances that will be released prior to or as of the Closing; (e) Encumbrances created by or through Buyer or any of its Affiliates; (f) Encumbrances in respect of any obligations as lessee under capitalized leases; (g) Encumbrances arising under worker's compensation, unemployment insurance, social security, retirement and similar Laws; (h) Encumbrances arising under federal, provincial, or state securities laws; and (i) licenses of Intellectual Property granted in the Ordinary Course of Business.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization or Governmental Authority.

"Personal Data" means any information, in any form, that (a) is about an individual, (b) identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with an individual, or (c) is otherwise defined as "personal information", "personal data", "personally identifiable information", or "protected health information" by applicable Law.

"Planned Capital Expenditures" means certain of the Companies' planned capital expenditures as of the date of this Agreement that are described on Schedule 1.1.

"Planned Capital Expenditures Amount" means an amount of $2,590,000 in respect of the Planned Capital Expenditures, provided that such amount shall be reduced to the extent that any of the Planned Capital Expenditures are made prior to Closing.

"Post-Closing Exiting Employee Payments" has the meaning specified in Section 9.3(e).

"Pre-Closing Income Tax Return" has the meaning specified in Section 8.1(a).

"Pre-Closing Tax Period" means any taxable period ending on or before the Closing and the portion of any Straddle Period ending on and including the day preceding the Closing Date.

"Preliminary Closing Date Cash" has the meaning specified in Section 2.3(b).

"Preliminary Closing Date Indebtedness" has the meaning specified in Section 2.3(b).

"Preliminary Closing Statement" has the meaning specified in Section 2.3(b).

"Preliminary Net Working Capital" has the meaning specified in Section 2.3(b).

"Preliminary Purchase Price" has the meaning specified in Section 2.3(b).

"Preliminary Transaction Expenses" has the meaning specified in Section 2.3(b).

"Privacy Laws" shall mean, in each case relating to or governing privacy, the Processing or protection of Personal Data or data security, all applicable (a) Laws, and (b) regulations, findings, orders, policy positions, guidelines and other guidance documents issued by one or more Governmental Authority.

"Process" means any operation or set of operations which is performed on information or data, whether or not by automated means, including collection, access, receipt, acquisition, generation, creation, use, combination, aggregation, deidentification, reidentification, holding, storage, maintenance, disclosure, transfer, communication, entrusting, copying, modification, retention, deletion, destruction, disposal, erasure and anonymization.

"Purchase Price" has the meaning specified in Section 2.2.

"Qualified Severance Payments" has the meaning specified in Section 9.3(a).

"Quebec Privacy Act" means Quebec's Act respecting the protection of personal information in the private sector (CQLR c P-39.1).

"Related Party" means: (i) each individual who is, or who has at any time been, an officer or director of any Company, and each individual who is an officer or director of Seller; (ii) each member of the immediate family of each of the individuals referred to in clause (i) above; (iii) any trust or other entity (other than any Company) in which any one of the individuals referred to in clauses (i) and (ii) above holds (or in which more than one of such individuals collectively hold), beneficially or otherwise, a material voting, proprietary, equity or other financial interest; and (iv) Seller.

"Release" means the release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, dumping, emitting, escaping, emptying, injecting, pouring, pumping, leaching or migrating of any Contaminant through, in, into or from the air, soil, surface water, groundwater or any property, including indoor air.

"Representatives" means the directors, managers, officers, employees, consultants, counsel, accountants, and other agents of a Person and any of such Person's Affiliates.

"Required Amount" has the meaning specified in Section 6.7(c).

"Restricted Business" has the meaning specified in Section 9.1(a).

"Restricted Entity" means any Person in respect of which the Buyer has provided at least 20 days prior written notice to the Seller that the equity or securities of such Person derive, or may reasonably be expected to derive, more than 10% or more of their value from any property owned by CDM or DDC at the time of Closing (other than any Person that is a Restricted Person on the date hereof).

"Restricted Period" has the meaning specified in Section 9.1(a).

"Restricted Persons" means, in respect of Seller, any Person controlled by, or under common control with, Seller (within the meaning of the Tax Act).

"Revenues" means, for any period of determination, cumulative revenues of the Business conducted by any Company or any successor for such period determined in accordance with IFRS. Revenues shall be, except as specifically stated otherwise, determined according to IFRS consistently applied in accordance with the Companies' accounting policies and practices.

"SEC" means the U.S. Securities and Exchange Commission.

"Second True-Up Statement" has the meaning specified in Section 9.3(g).

"Seller" has the meaning specified in the preamble.

"Seller Ancillary Agreements" means all agreements, instruments and documents being or to be executed and delivered by Cineplex Inc., Seller or any Company under this Agreement or in connection herewith, including the Undertaking Letter, Advertising Sales Agency Agreement and the Transition Services Agreement.

"Seller Disclosure Schedules" means the disclosure schedules of the Companies and Seller attached to the final executed copy of this Agreement.

"Seller Group Member" means Seller and its Affiliates, and respective directors, managers, officers, employees, consultants, counsel, accountants, and other agents.

"Seller Material Adverse Effect" means any fact, state of facts, occurrence, condition, circumstance, change, effect or development that, individually or when taken together with other facts, events, changes, developments, circumstances or effects, is or would reasonably be expected to (a) have a material adverse effect on the assets, liabilities, condition (financial or otherwise), results of operations or Business of the Companies, taken as a whole, or (b) prevent or materially delay the ability of the Companies or Seller to consummate the Contemplated Transactions; *provided, however*, that in the case of the preceding clause (a), no such fact, state of facts, occurrence, condition, circumstance, change, effect or development affecting the Companies shall constitute a Seller Material Adverse Effect hereunder to the extent resulting from: (i) changes in the general worldwide, Canadian or U.S. financial, securities and currency markets, changes in prevailing interest rates or exchange rates or changes in general worldwide, Canadian or U.S. economic, regulatory or political conditions; (ii) changes that generally affect the industry in which the Companies operate, (iii) acts of war (whether or not declared), armed hostilities, or terrorism or the escalation or worsening thereof or other events or changes that generally affect the participants in the industry in which the Companies operate; (iv) any natural disaster or act of God; (v) changes in financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index); (vi) changes in applicable Law affecting the Business or the Companies; (vii) any epidemic, pandemic, disease outbreak, or other public health emergency; (viii) the taking of any action contemplated by the Transaction Documents; (ix) fluctuations in sales or earnings of the Companies or failure of any of the Companies to meet internal or published sales, earnings, budgets, plans, forecasts or other financial or non-financial projections or estimates, the negotiation, execution, announcement, pendency or performance of this Agreement, compliance with terms of this Agreement or the consummation of the Contemplated Transactions or any communication by Buyer or any of its Affiliates of its plans or intentions (including in respect of employees) with respect to the Business, including losses or threatened losses of, or any adverse change in the relationship with employees, customers, vendors, suppliers, distributors, financing sources, joint venture partners, licensors, licensees or others having relationships with the Companies; or (x) any breach by Buyer of its obligations under the Transaction Documents; *provided, however*, that the foregoing subparagraphs (i) to (v) will not apply and may be taken into account if such effect, change, event, development or circumstance disproportionately adversely affects the Companies, taken as a whole, compared to other Persons that operate in the industry in which the Companies operate.

"Seller" has the meaning specified in the preamble.

"Severance Cap" has the meaning specified in Section 9.3(e).

"Severance Period" has the meaning specified in Section 9.3(e).

"Shares" has the meaning specified in the recitals hereto.

"Software" means computer software code, applications, utilities, development tools and diagnostics, including those related to machine learning, large language models, generative AI, agentic AI, and other artificial intelligence technologies, related programmer comments and annotations, help text, data and data structures, instructions and procedural, object-oriented and other code, databases and embedded systems, whether in source code, interpreted code, object code, computer instructions, commands, programs, modules, routines, procedures, rules, libraries, macros, algorithms, tools, and scripts, and all documentation of or for any of the foregoing.

"Straddle Period" means any taxable period that begins before and ends after the Closing Date.

"STIP" has the meaning specified in Section 9.3(a).

"Tail Policies" has the meaning specified in Section 7.7.

"Target Net Working Capital" means an amount of negative $260,000.

"Tax Act" means the *Income Tax Act* (Canada), as amended.

"Tax Claim" has the meaning specified in Section 8.4(a).

"Tax Regulations" has the meaning specified in Section 4.13(d).

"Tax Return" means all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Governmental Authority relating to Taxes.

"Tax" means all United States or Canadian federal, state, provincial, municipal, territorial and local and any non-U.S. or other taxes, including income, excise, escheat, property, sales, goods and services, harmonized sales, use, transfer, franchise, employment, payroll, withholding, social security, alternative or add-on minimum, ad valorem, value added, transfer, stamp, environmental tax, Canada Pension Plan and employment insurance premiums and any other governmental pension plan contributions or premiums, customs, duties, imposts and other similar governmental charges, together with any interest, penalties, additions or additional amounts with respect thereto.

"Territory" has the meaning specified in Section 9.1(a).

"Third Party Claim" has the meaning set forth in Section 11.4(a).

"Trade Secrets" means trade secrets, know-how and confidential business information and any other information, however documented, that is a trade secret within the meaning of the applicable trade secret protection Laws, including the Uniform Trade Secrets Act.

"Trademarks" means all registered trademarks and service marks, logos, Internet domain names, corporate names and doing business designations and all registrations and applications for registration of the foregoing, common law trademarks and service marks and trade dress.

"Training Data" means all data, information or databases used to develop, train, improve, operate, test or validate an algorithm, including any AI Product.

"Transaction Documents" means this Agreement and all Buyer Ancillary Agreements, Company Ancillary Agreements and the Seller Ancillary Agreements.

"Transaction Expenses" means, collectively: (a) any and all fees, costs, and expenses (including legal, accounting, consultant's, broker's, investment bankers' and finder's fees, and expenses) incurred by any Company in connection with the sale or other disposition of the business of Company, including the Contemplated Transactions, to the extent such amounts are unpaid as of immediately prior to the Closing; (b) any and all change in control payments, retention bonuses, transaction bonuses, Exiting Employee STIP Payments or other similar payments that become payable to any Company Employee or by the Companies by reason of the execution of this Agreement or the consummation of the Contemplated Transactions, the amounts and recipients of which are set forth on Section 4.12(b) of the Seller Disclosure Schedules, in each case to the extent such amounts are unpaid as of immediately prior to the Closing; (c) the employer's share of any payroll taxes, including employer-side Canada Pension Plan and employment insurance premiums, resulting from any payments made in connection with the Contemplated Transactions (including any payments described in clause (b) above); (d) any out of pocket fees and expenses agreed to by any Company prior to the Closing in connection with obtaining waivers, consents or approvals of any Persons on behalf of any Company in connection with the Contemplated Transactions, which remain unpaid as of the Closing; (e) any and all amounts owed to any of the Companies' Affiliates (as of immediately prior to Closing, and excluding the Companies); and (f) any amounts remaining unpaid as of the Closing to obtain the Tail Policies.

"Transition Services Agreement" means that certain transition services agreement by and among Seller and Buyer, in the form appended hereto as Exhibit C.

"Undertaking Letter" means a letter of undertaking executed on the date hereof by Cineplex Inc., in which Cineplex Inc. agrees to be bound by the covenants of Seller set forth in Section 7.5 and Section 9.1 of this Agreement.

"U.S." or "United States" means the United States of America.

ARTICLE II
PURCHASE AND SALE OF SHARES

2.1 Purchase and Sale of Shares. On the terms and subject to the conditions hereof, at the Closing: (a) Seller will sell, assign, transfer and convey to Buyer, and Buyer will purchase and acquire from Seller, free and clear of all Encumbrances (other than Permitted Encumbrances described in clauses (d), (e) and (h) of the definition of Permitted Encumbrances), all of Seller's right, title and interest in and to the Shares.

2.2 Purchase Price. The purchase price for the Shares (the "Purchase Price") shall be an amount equal to:

(a) Seventy Million Dollars ($70,000,000); plus

(b) the amount by which the Final Net Working Capital exceeds the Target Net Working Capital, if applicable; minus

(c) the amount by which the Target Net Working Capital exceeds the Final Net Working Capital, if applicable; minus

(d) the Final Transaction Expenses; minus

(e) the Final Closing Date Indebtedness; plus

(f) the Final Closing Date Cash, minus

(g) the Planned Capital Expenditures Amount.

2.3 Closing Statement; Computation of Closing Statement and Purchase Price.

(a) Not less than three (3) Business Days prior to the Closing Date, Seller shall deliver to Buyer a statement (the "Estimated Closing Statement"), which sets forth as of the Closing: (i) by creditor or payee, the estimated Closing Date Indebtedness (the "Estimated Closing Date Indebtedness"); (ii) by advisor or payee, the estimated amount of the Transaction Expenses (the "Estimated Transaction Expenses"); (iii) Seller's good faith estimate of the Net Working Capital calculated in accordance with Exhibit A hereto (the "Estimated Net Working Capital"); (iv) the estimated Closing Date Cash (the "Estimated Closing Date Cash"); (v) the Planned Capital Expenditures Amount; (vi) on the basis of the foregoing estimates, a calculation of the Estimated Purchase Price; and (vii) wire account information of (A) a Canadian bank account of Seller for the Estimated Purchase Price payable to Seller pursuant to Section 3.2(a) and (B) each creditor, payee and advisor listed on the Estimated Closing Statement.

(b) No more than ninety (90) days after the Closing Date, Buyer will prepare and deliver to Seller a certificate executed by Buyer (the "Preliminary Closing Statement") setting forth Buyer's calculation of: (i) the Net Working Capital calculated in accordance with Exhibit A hereto (the "Preliminary Net Working Capital"); (ii) Closing Date Indebtedness (the "Preliminary Closing Date Indebtedness"); (iii) Transaction Expenses (the "Preliminary Transaction Expenses"); (iv) Closing Date Cash (the "Preliminary Closing Date Cash"); and (v) on the basis of the foregoing estimates, the Purchase Price (the "Preliminary Purchase Price"). The Preliminary Closing Statement shall be prepared in accordance with IFRS. The inventory valuation set forth in the Preliminary Closing Statement will be based on a physical inventory taken by the Companies prior to Closing and the Companies' records with respect to inventory in transit or at customers' locations at such time. The inventory shall be as updated by inventory records for the period after the taking of such physical inventory through the Closing Date.

(c) Seller shall have thirty (30) days following receipt of the Preliminary Closing Statement to review the Preliminary Closing Statement and related components thereof. In connection therewith, Parent and Buyer will provide Seller and its authorized representatives (including outside accountants) reasonable access to all relevant books, Contracts, work papers, records and appropriate personnel of the Companies to the extent reasonably requested to complete such review. If Parent or Buyer does not provide Seller with adequate access to all relevant books, Contracts, work papers, records and appropriate personnel of the Companies relevant to the review of the Preliminary Closing Statement within five (5) Business Days after Seller's request for such access (or such shorter period as may remain in Seller's thirty (30)-day review period), then Seller's review period shall be extended by one Business Day for each additional Business Day required for Buyer or Parent to fully respond to such request, or (if longer) by such number of days necessary to ensure Seller has at least five (5) Business Days remaining in the review period after all such requested information and access has been adequately provided. If Seller does not object to the Preliminary Closing Statement and related components thereof prior to the expiration of such thirty (30)-day period, the Preliminary Closing Statement, Preliminary Net Working Capital, Preliminary Closing Date Indebtedness, Preliminary Transaction Expenses, Preliminary Closing Date Cash, and Preliminary Purchase Price shall become the "Final Closing Statement", "Final Net Working Capital," "Final Closing Date Indebtedness", "Final Transaction Expenses", "Final Closing Date Cash," and "Purchase Price", respectively, for all purposes of this Agreement. If Seller objects to the Preliminary Closing Statement and related components thereof, Seller shall send a written notice to Buyer specifying its objections in reasonable detail and the basis therefor, prior to the expiration of such thirty (30)-day period. During the fifteen (15)-day period following Buyer's receipt of any such objection notice, Buyer and Seller shall attempt to resolve the differences specified in such objection notice and any resolution by them (evidenced in a writing signed by Buyer and Seller) of such differences shall be final, binding and conclusive for all purposes of this Agreement. If, at the conclusion of such 15-day period, any amounts remain in dispute, then the amounts so in dispute (the "Disputed Items") shall be submitted to KPMG LLP (the "Accounting Arbitrator") within five (5) days after the expiration of such 15-day period. The Accounting Arbitrator shall act as an arbitrator to determine and resolve, based solely on presentations by Seller and Buyer, and not by independent review, only the Disputed Items. With respect to each Disputed Item, such determination, if not in accordance with the position of either Buyer or Seller, shall not be in excess of the higher, nor less than the lower, of the amounts advocated by Buyer or Seller with respect to such Disputed Item. The Parties shall use commercially reasonable efforts to cause the Accounting Arbitrator to render a determination within thirty (30) days of their selection and to set forth such determination in a written statement delivered to Seller and Buyer, which shall, absent manifest error, be final, binding and conclusive for all purposes of this Agreement. The Preliminary Closing Statement, Preliminary Net Working Capital, Preliminary Closing Date Indebtedness, Preliminary Transaction Expenses, Preliminary Closing Date Cash, and Preliminary Purchase Price shall be adjusted to reflect all agreed-upon changes and the resolution of all Disputed Items by the Accounting Arbitrator and, as so adjusted, shall be the "Final Closing Statement", "Final Net Working Capital," "Final Closing Date Indebtedness", "Final Transaction Expenses", "Final Closing Date Cash," and "Purchase Price", respectively, for all purposes of this Agreement. All fees and expenses of the Accounting Arbitrator shall be shared by Buyer and Seller in inverse proportion to the relative amounts of the disputed amount determined to be for the account of Buyer and Seller, respectively.

(d) Notwithstanding the foregoing, the Purchase Price shall be further adjusted by any payments made pursuant to Section 9.3(f), Section 9.3(g) and Section 9.3(h).

2.4 Purchase Price Adjustments. Not later than five (5) Business Days following final determination of the Final Closing Statement and related components thereof pursuant to Section 2.3(c):

(a) if, as finally determined pursuant to Section 2.3(c), the Purchase Price is greater than the Estimated Purchase Price (the amount by which it is greater, the "Positive Adjustment Amount"), Buyer shall pay, or cause to be paid, the Positive Adjustment Amount to Seller by wire transfer of immediately available funds to such accounts as Seller shall direct in writing; and

(b) if, as finally determined pursuant to Section 2.3(c), the Purchase Price is less than the Estimated Purchase Price (the amount by which it is greater, the "Negative Adjustment Amount"), Seller shall pay, or cause to be paid, the Negative Adjustment Amount to Buyer by wire transfer of immediately available funds to such accounts as Buyer shall direct in writing.

(c) For greater certainty, any payments made pursuant to this Section 2.4 shall be treated as an adjustment to the consideration paid for the Shares, and reflect the difference between the Estimated Purchase Price and the Purchase Price as ultimately determined under Section 2.3(c).

ARTICLE III
CLOSING

3.1 Closing Date. On the second Business Day following the satisfaction or waiver of the conditions set forth in Section 10.1 and Section 10.2 (other than such conditions which, by their nature, are to be satisfied at Closing), or on such other date as Seller and Buyer may mutually agree, the purchase and sale of the Shares (the "Closing") shall take place remotely via the electronic exchange of executed documents or closing deliverables (the date on which the Closing takes place being the "Closing Date"). For all purposes under this Agreement and all other Transaction Documents, the Closing shall be deemed to be effective as of the Effective Time.

3.2 Closing Date Payments. At Closing, Buyer shall:

(a) pay or cause to be paid, to the account of Seller set forth in the Estimated Closing Statement, by wire transfer of immediately available funds, an amount equal to the Estimated Purchase Price;

(b) pay, or cause to be paid, on behalf of the applicable Companies, the all of the Closing Date Indebtedness, by wire transfer of immediately available funds to the accounts and in the amounts specified in writing pursuant to executed payoff and/or lien release letters in form and substance reasonably acceptable to Buyer; and

(c) pay, or cause to be paid, on behalf of the applicable Companies, the amount of Transaction Expenses as estimated pursuant to Section 2.3(a), by wire transfer of immediately available funds to the accounts and in the amounts set forth in final invoices delivered to the Buyer.

3.3 Buyer's Deliveries. At Closing, Buyer shall deliver to Seller all of the following:

(a) The payment(s) set forth in Section 3.2;

(b) A certificate of the secretary or other officer of Buyer, dated the Closing Date, certifying that attached thereto are true, correct and complete copies of (i) the resolutions of the board of directors of Buyer authorizing the execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements and the Contemplated Transactions; and (ii) the incumbency and signatures of the directors and officers of Buyer executing this Agreement or any of the Buyer Ancillary Agreements;

(c) A certificate of the secretary or other officer of Buyer, dated the Closing Date, certifying as to the satisfaction of those conditions set forth in Sections 10.1(a) and 10.1(b);

(d) A certificate of status of Buyer dated within ten (10) Business Days of the Closing Date;

(e) A certificate of good standing of Parent dated within ten (10) Business Days of the Closing Date;

(f) The Transition Services Agreement, duly executed by Buyer; and

(g) The Advertising Sales Agency Agreement, duly executed by the Seller and CDM.

3.4 Seller's Deliveries. At Closing, Seller shall deliver to Buyer all of the following:

(a) A certificate of an officer of each Company, dated the Closing Date, certifying that attached thereto are true, correct and complete copies of (i) the Organizational Documents of such Company, with no amendments thereto since a specified date; (ii) the resolutions of the board of directors of such Company authorizing the execution, delivery and performance of this Agreement and the Company Ancillary Agreements and the Contemplated Transactions (or if such resolutions are not required, a certification to such effect); and (iii) the incumbency and signatures of the directors and officers of such Company executing this Agreement or any of the Company Ancillary Agreements, as applicable;

(b) A certificate of an officer of the general partner of Seller, dated the Closing Date, certifying that attached thereto are true, correct and complete copies of (i) the Organizational Documents, with no amendments thereto since a specified date; (ii) the resolutions of the board of directors and shareholder(s) of the general partner of Seller authorizing the execution, delivery and performance of this Agreement and the Seller Ancillary Agreements and the Contemplated Transactions; and (iii) the incumbency and signatures of the directors and officers of the general partner of Seller executing this Agreement or any of the Seller Ancillary Agreements;

(c) A certificate of the secretary or other officer of Seller and each Company, dated the Closing Date, certifying as to the satisfaction of those conditions set forth in Section 10.2(a), 10.2(b) and 10.2(f);

(d) A good standing certificate (or its equivalent) of each Company and Seller, each dated within ten (10) Business Days of the Closing Date, from the registrars of their respective jurisdictions of organization and operations where they are required under applicable Law to be registered;

(e) Duly executed letters of resignation and mutual release of each officer and director of each Company, dated as of the Closing Date, in the form appended hereto as Exhibit D;

(f) A certificate representing the Shares, duly endorsed in blank or accompanied by security transfer powers duly endorsed in blank in proper form for transfer;

(g) The Transition Services Agreement, duly executed by Seller; and

(h) The Advertising Sales Agency Agreement, duly executed by the Seller and CDM; and

(i) Evidence reasonably acceptable to Buyer that those consents or notices required by the Material Contracts set forth on Schedule 3.4(i) have been obtained or delivered, as applicable.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLER CONCERNING THE COMPANIES

As an inducement to Buyer to enter into this Agreement and to consummate the Contemplated Transactions, Seller represents and warrants to Buyer as follows and acknowledges that Buyer is relying on the accuracy of each such representation and warranty in entering into this Agreement and completing the Contemplated Transactions. All representations and warranties of Seller concerning each Company are made subject to an applicable disclosure in Seller Disclosure Schedules making specific reference to the Section or Sections of this Agreement to which it applies.

4.1 Organization of Each Company; Organizational Documents.

(a) Organization. DDC and CDM are duly organized, validly existing and in good standing under the laws of the Province of Ontario. CDMUS is duly organized, validly existing and in good standing under the laws of the State of Delaware. Each Company (i) has all requisite power (corporate or otherwise) and authority to own and operate its properties and to carry on its business as presently conducted, and (ii) is duly qualified and in good standing to do business in each jurisdiction in which the nature of its activities or the character of the properties it owns or leases make such qualification necessary, except, in the case of this clause (ii), in such cases where the lack of said authorization or qualification has not had and would not have, individually or in the aggregate, a Seller Material Adverse Effect; all of such jurisdictions are listed on Section 4.1(a) of the Seller Disclosure Schedules.

(b) Organizational Documents. Each Company has made available to Buyer in the Data Room complete and accurate copies of its Organizational Documents.

4.2 Capitalization of Each Company; Title to Shares.

(a) The authorized capital of DDC consists of unlimited common shares, without par value, of which, as of the date of this Agreement and the Closing Date, 12,742 common shares were issued and outstanding. The Shares constitute all of the outstanding shares in the capital of DDC. Seller owns the Shares free and clear of all Encumbrances other than Permitted Encumbrances. The Shares have been duly authorized and are validly issued, fully paid and nonassessable. Except for the Shares, there are no other equity securities of DDC or other rights in or with respect thereto outstanding. As of immediately prior to the Closing, no Person will have any right in or to any equity interest of DDC other than Seller.

(b) The authorized capital of CDM consists of an unlimited number of voting common shares, without par value and an unlimited number of Class "A" Special Shares, without par value, of which, as of the date of this Agreement and the Closing Date, 420 Common Shares and 300 Class "A" Special Shares were issued and outstanding (the "CDM Shares"). The CDM Shares constitute all of the outstanding shares in the capital of CDM. DDC owns the CDM Shares free and clear of all Encumbrances other than Permitted Encumbrances. The CDM Shares have been duly authorized and are validly issued, fully paid and nonassessable. Except for the CDM Shares, there are no other equity securities of CDM or other rights in or with respect thereto outstanding. As of immediately prior to the Closing, no Person will have any right in or to any equity interest of CDM other than DDC.

(c) The authorized capital stock of CDMUS consists of 1,500 shares of common stock, no par value per share, of which, as of the date of this Agreement and the Closing Date, 100 shares of common stock were issued and outstanding (the "CDMUS Shares"). The CDMUS Shares constitute all of the outstanding shares of capital stock of CDMUS. DDC owns the CDMUS Shares free and clear of all Encumbrances other than Permitted Encumbrances. The CDMUS Shares have been duly authorized and are validly issued, fully paid and nonassessable. Except for the CDM Shares, there are no other equity securities of CDM or other rights in or with respect thereto outstanding. As of immediately prior to the Closing, no Person will have any right in or to any equity interest of CDM other than DDC.

(d) There are no options, warrants, puts, calls, rights, arrangements, commitments or agreements to which any Company is a party or by which any Company or its assets is bound or to which any other Person is a party, relating to the issuance, sale, purchase, repurchase, conversion, exchange, registration, voting, transfer or redemption of the Shares or other equity interests or securities of any Company, whether on conversion of other securities or otherwise, or obligating any Company to grant, extend or enter into any such option, warrant, put, call, right, arrangement, commitment or agreement, and there are no outstanding contractual rights to which any Company is a party, the value of which is based on the value of such Company's equity interests. There are no outstanding contractual obligations of any Company to repurchase, redeem or otherwise acquire the any equity interest.

(e) No Company is a party to and there does not exist any shareholder agreement, voting trust agreement or any other similar contract restricting or otherwise relating to the voting, dividend, ownership or transfer rights of any shares in the capital of any Company.

(f) No Company has any outstanding bonds, debentures, notes or other obligations the holders of which have the right to vote (or that are convertible into or exercisable for securities having the right to vote) with Seller on any matter.

(g) The Shares, CDM Shares and CDMUS Shares have not been issued in violation of, and are not subject to, any pre-emptive or subscription rights, and the Shares, CDM Shares and CDMUS Shares have been offered, issued, sold and delivered by the applicable Company in compliance with all applicable securities Laws.

4.3 **Subsidiaries and Investments**. Except as set forth in Section 4.2 of the Agreement, no Company owns, directly or indirectly, of record or beneficially, any outstanding voting securities or other equity interests in any corporation, partnership, joint venture, limited liability company or other entity.

4.4 **Authority of Companies**. Each Company has full corporate power and authority to execute, deliver and perform this Agreement and the Company Ancillary Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof. This Agreement has been duly authorized, executed and delivered by each Company and is the legal, valid and binding obligation of such Company, Enforceable in accordance with its terms. Each Company Ancillary Agreement has been duly authorized and, when executed and delivered by all parties thereto, will be the legal, valid and binding obligation of each Company, Enforceable in accordance with their respective terms.

4.5 **No Conflict**. Except as set forth in Section 4.5 of the Seller Disclosure Schedules or as may result from any facts and circumstances relating to Buyer or any of its Affiliates, neither the execution and delivery of this Agreement or each Company Ancillary Agreements, nor the consummation of any of the transactions contemplated hereby or thereby, nor compliance with or fulfillment of the terms, conditions and provisions hereof or thereof will conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default, an event of default or an event creating rights of notice, first refusal, acceleration, termination or cancellation or a loss of rights under, result in the creation or imposition of any Encumbrance upon the Shares, CDM Shares, CDMUS Shares or any assets or properties of each Company or require the consent of a third party, under (a) the Organizational Documents of such Company; (b) any Governmental Order to which such Company is a party or by which the Company is bound; (c) any Laws affecting such Company, the assets or Business of such Company; or (d) any Contract to which such Company is a party, other than, in the case of clauses (c) and (d), such conflicts, violations, defaults, terminations or cancellations, that would not reasonably be expected to (i) be material to such Company, or (ii) prevent, materially delay or materially impair (x) the ability of such Company to execute and deliver this Agreement or consummate the Contemplated Transactions or (y) the performance by such Company of its obligations under this Agreement.

4.6 **Financial Statements**.

(a) Section 4.6(a) of the Seller Disclosure Schedules contains (i) a complete and correct copy of the interim unaudited balance sheet and related statements of income and cash flows, of the Companies as of June 30, 2025 (the "Interim Balance Sheet Date") and for the six-month period then ended (the "Interim Financials"), and (ii) a complete and correct copy of the unaudited balance sheet of the Companies as of December 31, 2023 and 2024, and the related unaudited consolidated statements of income, operation, changes in equity and cash flows of the Companies, for the fiscal years then ended, accompanied in each case by any notes thereto (collectively, the "Annual Financials," and together with the Interim Financials, the "Financials"). Except as set forth therein, all such balance sheets and statements of income, cash flows and shareholders' equity have been prepared in all material respects in conformity with IFRS consistently applied and present fairly in all material respects the financial position, results of operations and cash flows of the Companies as of their respective dates and for the respective periods covered thereby.

(b) The Financials (i) are complete and correct in all material respects and were prepared in accordance with the books and records of the Companies; and (ii) have been prepared in accordance with IFRS (except, in the case of the Interim Financials, for the omission of footnotes and normal year-end adjustments, none of which are, or would be, individually or in the aggregate, material). The Financials fairly present, in all material respects, the consolidated financial position of the Companies as at the respective dates thereof and the consolidated results of the operations of the Companies for the respective periods covered thereby. The Financials contained adequate reserves for the realization of all Assets and for all liabilities in accordance with IFRS as of the date thereof.

4.7 **Absence of Undisclosed Liabilities**. No Company has any liability of any kind, character or description, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether disputed or undisputed, whether secured or unsecured, whether due or to become due, except for (a) those which are adequately reflected or reserved against in the Interim Financials, (b) liabilities, which have been incurred in the Ordinary Course of Business consistent with past practice since the Interim Balance Sheet Date (none of which results from, arises out of, or relates to any breach or violation of, or default under, a Contract or applicable Law and none of which is material, individually or in the aggregate), and (c) liabilities fully taken into account in connection with the calculation of the Net Working Capital as current liabilities therein. Any minimum annual guaranteed (MAG) amounts that are due and payable by CDM pursuant to any contract have been fully paid by CDM.

4.8 **2025 Operations** . Except as set forth on Section 4.8 of the Seller Disclosure Schedules, since January 1, 2025, the Business has been conducted in the Ordinary Course of Business and:

(a) no Company has (i) amended its Organizational Documents or (ii) issued, sold, granted, awarded or otherwise disposed of any equity interests (except as contemplated by this Agreement);

(b) other than any Permitted Distribution, no Company has split, combined or reclassified any shares of its capital or declared, set aside or paid any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of its shares, or made any changes with respect to its capital structure;

(c) no Company has sold, leased, licensed, transferred or otherwise disposed of any of its material Assets or material property;

(d) no Company has abandoned, dedicated to the public, or affirmatively failed to take any action necessary to preserve the validity of any material Company Owned Intellectual Property or Governmental Permit;

(e) no Company has changed the nature or scope of the Business in any material respect or commenced any new business not being ancillary or incidental to the Business or taken any action to alter its organizational or management structure in any material respect;

(f) there has been no loss, destruction, damage or eminent domain taking (in each case, whether or not insured) affecting the Business or any material Asset, in each case, in any material respect;

(g) no Company has either increased the compensation payable or paid to nor terminated, laid off or materially reduced the compensation of, whether conditionally or otherwise, (i) any Company Employee, Company Independent Contractor or agent with an annual salary or consulting fee in excess of $150,000; or (ii) any officer or senior manager of the Company;

(h) no Company has adopted, entered into, terminated or amended any Company Plan as it relates to Company Employees, or any Company Independent Contractor, agent, officer or director;

(i) no Company has made any change in its methods of accounting or accounting practices (including with respect to reserves) or its pricing policies, cash management, payment or credit practices, policies and/or procedures, except as required by IFRS or by the Companies' auditors;

(j) no Company has filed any material amended Tax Return, submitted any material Tax election (or revocation thereof), designation (or revocation thereof), notification,, or waiver to a Governmental Authority, submitted any voluntary disclosure (or similar) application to a Governmental Authority, or waived any limitation period with respect to Taxes;

(k) no Company has terminated or closed any facility, business or operation;

(l) no customer or supplier required to be disclosed on Section 4.18 of the Seller Disclosure Schedules has cancelled, terminated, materially modified or substantially reduced its purchases, sales or commitments to do so, as applicable, or, to the Knowledge of Seller, threatened in writing to do any of the foregoing;

(m) no Company has acquired or agreed to acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business of any Person or acquired any capital asset or related capital assets (except as contemplated by this Agreement);

(n) no Company has (i) entered into, amended or terminated; (ii) taken or omitted to take any action that would constitute a violation of or default under; or (iii) waived any rights under, any Material Contract with any customer or supplier required to be disclosed on Section 4.17 of the Seller Disclosure Schedules;

(o) no Company has threatened, commenced or settled any Action;

(p) no Company has entered into any Contract that purports to limit, curtail or restrict, in any material respect, the Business or the kinds of businesses that it may conduct, or the Persons with whom it can compete in any market or geographical area or during any period of time or otherwise limit or restrict the ability of the Company to engage in the Business or any line of business or business activity (including employment);

(q) no Company has changed the amount of, or terminated, any insurance coverage in any material respect;

(r) no Company has accelerated the payment of or granted any discount or allowance from, any Accounts Receivable, other than in the Ordinary Course of Business;

(s) no Company has delayed the payment of any accounts payable of the Business, other than in the Ordinary Course of Business;

(t) no Company has entered into any Contract to do any of the actions or omissions set forth in this Section 4.8 of the Seller Disclosure Schedules; and

(u) no event or circumstance has occurred which has had, will have or would reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect.

4.9 Title to Assets; Availability and Condition of Assets.

(a) Each Company has sole and exclusive, good title to all material Assets used in or necessary for the operation of the Business as conducted as of the date hereof, free and clear of any Encumbrances (other than Permitted Encumbrances).

(b) The assets and properties owned or leased by each Company (other than Intellectual Property, which is exclusively addressed below in Section 4.16) (i) constitute all of the material assets and properties used in or necessary for the operation of the Business as conducted as of the date hereof (including all books, records, computers and computer programs and data processing systems); (ii) are adequate in all material respects and suitable for their present and intended uses; (iii) are in good working order, operating condition and state of repair, reasonable wear and tear excepted; and (iv) have no material defects.

4.10 Accounts Receivable. All Accounts Receivable reflected on the Interim Financials and in the records and books of account of each Company since the Interim Balance Sheet Date through the Closing Date, represent Enforceable obligations owed to such Company and are not subject to any contests, claims, counterclaims or setoffs. As of the Interim Balance Sheet Date, (a) no account debtor or note debtor is delinquent for payments in excess of any accrued reserve; (b) no account debtor or note debtor has refused or threatened to refuse to pay its obligations to any Company for any reason, or has otherwise made a claim to set-off or similar claim; and (c) to the Knowledge of Seller, no account debtor or note debtor is insolvent or bankrupt.

4.11 Legal Compliance; Governmental Permits.

(a) Compliance. Each Company and the Business is and has been operated in compliance with its Organizational Documents and, for the past three (3) years, in all material respects, with all applicable Law. No Company is the subject of any Governmental Order.

(b) Governmental Permits. Each Company owns, holds or possesses all material licenses, franchises, permits, privileges, immunities, approvals and other authorizations from a Governmental Authority which are necessary to entitle it to own and operate the Business and to carry on and conduct such Company substantially as conducted as of the date hereof or as to which the failure to have the same would have a Seller Material Adverse Effect (herein collectively called "Governmental Permits"). Section 4.11(b) of the Seller Disclosure Schedules sets forth each Governmental Permit affecting, or relating to, or necessary in connection with the Assets or the Business, together with the Governmental Authority or other Person responsible for issuing such Governmental Permit. Such Governmental Permits are valid and in full force and effect. No Company is in breach or violation of, or default under, any such Governmental Permit. Each Company has properly and validly completed all filings and registrations that are required for the operation of its Business. Such Governmental Permits shall remain in full force and effect immediately after the Closing. There is no investigation or Action pending or, to the Knowledge of Seller, threatened that would result in the termination, revocation, suspension, restriction or nonrenewal of any such Governmental Permit or the imposition of any fine, penalty or other sanctions for material violation of any applicable Law relating to any such Governmental Permit.

4.12 Employees.

(a) The Companies have made available to Buyer in the Data Room a true, correct and complete schedule of all Company Employees, including any employee who is on a leave of absence of any type, paid or unpaid, authorized or unauthorized, that sets forth for each such individual the following: (i) name; (ii) job title or position; (iii) full-time, part-time or other related employment category; (iv) hire date; (v) current annual base compensation; (vi) current annual commission, bonus or other incentive compensation; and (vii) work location(s), both permanent and temporary;. Except as set forth on Section 4.12(a) of the Seller Disclosure Schedules, no Company is a party to any Contract with any employee or former employee in Canada, other than Contracts terminable upon the provision of the minimum entitlements required under applicable employment standards legislation and/or reasonable notice under the Canadian common law.

(b) Except as disclosed on Section 4.12(b) of the Seller Disclosure Schedules, compensation, including wages, overtime, vacation and holiday pay, commissions, bonuses, fees and other compensation, payable to Company Employees or Company Independent Contractors for work or services performed have been paid or are accurately reflected in the books and records of the applicable Company and there are no outstanding agreements, understandings or commitments of such Company with respect to any compensation, commissions, bonuses, fees, or other compensation. No material increases in compensation, commissions, bonuses or fees have been promised by a Company to any Company Employee or Company Independent Contractor, except or as set forth in a Contract or proposal that has been provided to Parent.

(c) There are no labor grievances (including any work slowdowns, lockouts, stoppages, picketing or strikes) pending, or to the Knowledge of Seller, threatened related to any Company Employee. No Company Employee is represented by a labor union, association or representative body. No Company is a party to, or otherwise subject to, any collective bargaining agreement or Contract with any works council, labor union, association or representative body. During the past five (5) years there have been no strikes, slowdowns, work stoppages, lockouts, or to the Knowledge of Seller, threats thereof, by or with respect to any Company Employee. To the Knowledge of Seller, no petition has been filed or proceedings instituted by any Company Employee or group of Company Employees with any labor relations board seeking recognition of a bargaining representative. To the Knowledge of Seller, there is no organizational effort currently being made or threatened by, or on behalf of, any labor union, association or representative body to organize any Company Employees and no demand for recognition of Company Employees has been made by, or on behalf of, any labor union, association or representative body.

(d) Except as disclosed on Section 4.12(d) of the Seller Disclosure Schedules, each Company is and has been in compliance in all material respects with all applicable Laws pertaining to employment and employment practices to the extent they relate to Company Employees and Company Independent Contractors for the past three (3) years. All individuals characterized and treated by each Company as Company Independent Contractors are properly treated as independent contractors under all applicable Laws. The Company is in compliance in all material respects with all applicable wage and hour Laws and all Company Employees who have been determined to be exempt from entitlement to over-time pay, vacation pay or any other applicable wage and hour Laws entitlement have been properly determined to fall within such exemption**.** Each Company is in material compliance with and has complied with all immigration Laws. There are no Actions, investigations, judgments, decrees, or orders against any Company pending, or to the Knowledge of Seller, threatened to be initiated, brought or filed, by or with any Governmental Authority in connection with the application for employment or employment of any current or former applicant, employee, or independent contractor of any Company, including, without limitation, any charge, investigation or claim relating to unfair labor practices, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, vacation and holiday pay, employee classification, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence, paid sick leave, employment or unemployment insurance or any other employment related matter arising under applicable Laws which would reasonably be expected to result in any material liabilities to any of the Companies.

(e) To the Knowledge of Seller, no Company Employee, or officer, director, contractor or consultant of any Company is obligated under any applicable Law or under any Contract of any nature, or is subject to any judgment, decree or Governmental Order, that would materially interfere with the use of such Company Employee's, officer's, director's, contractor's or consultant's best efforts to promote the interests of such Company or that would materially conflict with the Business. To the Knowledge of Seller, the conduct of the Business has not and will not, and the consummation of the Contemplated Transactions will not, conflict with or result in a breach of the terms, conditions or provisions, or constitute a default under any Contract under which any Company Employee, or officer, contractor or consultant of any Company is obligated. To the Knowledge of Seller, no current or former employee or independent contractor of a Company is in any material respect in violation of any term of any employment agreement, nondisclosure agreement or obligation, fiduciary duty, non-competition agreement, non-solicitation agreement or restrictive covenant obligation: (i) owed to such Company, or (ii) owed to any third party with respect to such person's right to be employed or engaged by such Company. To the Knowledge of Seller, no current employee of a Company with annualized compensation at or $100,000 intends to terminate his or her employment prior to the Closing.

(f) In the last three (3) years, no Company has implemented or announced a "plant closing," "mass layoff," or other similar action and any similar applicable state, provincial or local Law.

4.13 Company Plans.

(a) Section 4.13(a) of the Seller Disclosure Schedules contains a true, correct and complete list of each Company Plan in effect as of the date hereof.

(b) With respect to each Company Plan, the Companies have made available to Buyer in the Data Room a current, true and complete copy (or, to the extent no such copy exists, an accurate description) thereof of the following (to the extent applicable): (i) a summary of the plan terms; and (ii) the employee booklets.

(c) Each Company Plan has been established and administered in accordance with each such Company Plan's terms and applicable Laws, in each case, in all material respects. No Company has any current or projected liability in respect of post-employment, post-service or post-retirement health, medical or life insurance benefits for current, former or retired Company Employees, except as may be required pursuant to applicable Law.

(d) No Company Plan is, or has been: (i) a "defined benefit provision" (within the meaning of Section 147.1(1) of the Tax Act) or a "defined benefit" (within the meaning of Section 1(1) of the *Pension Benefits Act* (Ontario)); (ii) a "registered pension plan" (within the meaning of Section 248(1) of the Tax Act); (iii) a "salary deferral arrangement" (within the meaning of Section 248(1) of the Tax Act); (iv) an "individual pension plan" (within the meaning of Section 8300(1) of the *Income Tax Regulations* (Canada) ("Tax Regulations")); (v) a "multi-employer plan" (within the meaning of Section 8500(1) of the Tax Regulations) or a "multi-employer pension plan" (within the meaning of Section 1(1) of the *Pension Benefits Act* (Ontario)); or (vi) a "designated plan" (within the meaning of Section 8515(1) of the Tax Regulations).

(e) With respect to each Company Plan, (i) no actions, suits or claims (other than routine claims for benefits in the Ordinary Course of Business) are pending or, to the Knowledge of Seller, threatened; (ii) no facts or circumstances exist that would reasonably be expected to give rise to any such actions, suits or claims; and (iii) no administrative investigation, audit or other administrative proceeding by a Governmental Authority are pending, in progress or, to the Knowledge of Seller, threatened.

(f) Except as set forth on Section 4.13(f) of the Seller Disclosure Schedules or pursuant to Section 9.3, the execution, delivery or performance of this Agreement will not (i) result in severance pay, termination indemnity or any similar payment or any increase in severance pay, termination indemnity or any similar payment; (ii) accelerate the time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under any Company Plan; or (iii) increase the amount payable or result in any other liability to any Company Employee under any Company Plan.

(g) The Companies have no commitment or obligation and have not made any representations to any Company Employee, or officer, director, independent contractor or consultant of a Company, whether or not legally binding, to adopt, amend, modify or terminate any Company Plan, in connection with the consummation of the Contemplated Transactions. Each Company Plan can be amended, terminated or otherwise discontinued after the Closing in accordance with its terms, without material liabilities to Parent, the Company or any of their Affiliates other than ordinary administrative expenses typically incurred in a termination event.

4.14 Real Property.

(a) No Company currently owns or has ever owned fee title interest in any real property, or has any right or option to acquire any real property, or other interest in real property, other than a leasehold interest under the Real Property Leases (defined below). Section 4.14(a) of the Seller Disclosure Schedules sets forth, truly, correctly and completely (in all material respects), each leasehold interest in real property currently leased, subleased by, licensed or with respect to which a right to use or occupy has been granted to or by each Company (such leased real property is referred to as the "Real Property"), and specifies the address of the Real Property, the full legal name of each of the lessor(s) of such Real Property, and identifies each lease or any other Contract under which such Real Property is leased or otherwise occupied by any Company (the "Real Property Leases"). Except as described on Section 4.14(a) of the Seller Disclosure Schedules, there are no written or oral subleases, occupancy agreements or other Contracts granted by any Company to any other Person to use or occupy any of the Real Property, and there is no Person other than any Company in possession of the Real Property. The other party to each Real Property Lease is not an Affiliate of any Company, and there are no self-dealing arrangements in the Real Property Leases. The Real Property Leases represent Enforceable leasehold interests of each Company in and to the Real Property, as applicable, and, to the extent permitted pursuant any Real Property Leases, as applicable, any and all Facilities located thereon. No brokerage commissions or finder's fees are owed with respect to any Real Property Lease.

(b) The Companies have made available in the Data Room true, correct and complete copies of all of the Real Property Leases, including all amendments, extensions, modifications, guarantees, estoppel certificates and other agreements with respect thereto (including, any subordinations, non-disturbance and attornment agreements). No consents or approvals are required to be obtained under the Real Property Leases in connection with the Closing, including from the landlord(s) thereunder. The Closing will not result in a breach of or default under any Real Property Leases, or otherwise cause any Real Property Lease to cease to be Enforceable, and in full force and effect on identical terms following the Closing. No Person other than the Companies (or its Affiliates) subleases, licenses, or otherwise has the right to use or occupy any of the Real Property, except as would not reasonably be expected to be material to the Business.

(c) Neither any Company, nor, to the Knowledge of Seller, any landlord under the Real Property Leases is in material breach or material default under any of the Real Property Leases, and no event has occurred or circumstance exists which, with or without notice, lapse of time, or both, would constitute a material breach or material default under such Real Property Leases by any Company or, to the Knowledge of Seller, any landlord. No security deposit or portion thereof deposited with respect to such Real Property Leases has been applied in respect of a breach or default under such Real Property Leases which has not been redeposited in full. The possession and quiet enjoyment of the Real Property by each Company has not been disturbed, and there are no ongoing and continuing disputes between the lessor and lessee with respect to any Real Property Lease.

(d) To the Knowledge of the Seller, each Company is in compliance in all material respects with all of its covenants, if any, under the applicable Real Property Lease requiring such Company to comply with: (i) applicable building, zoning, subdivision, health and safety, and other land use Laws; (ii)all insurance requirements affecting the Real Property; and (iii) the use or occupancy of the Real Property or operation of the Business thereon such that such use does not violate any Laws. To the Knowledge of Seller, there are no pending or threatened condemnation or expropriation proceedings affecting any of the Real Property.

(e) None of the Real Property is "residential property" or contains "dwelling units" as defined under T*he Purchase of Residential Property by Non-Canadians Act* and its regulations.

4.15 No Violation, Litigation or Regulatory Action.

(a) Except as described on Section 4.15(a) of the Seller Disclosure Schedules, there are no lawsuits, claims, proceedings, investigations or Governmental Orders pending or, to the Knowledge of Seller, threatened against or affecting any Company nor is there currently any basis for any of the same.

(b) There is no notice, charge, claim, investigation, audit or assertion by any Governmental Authority against any Company, alleging any material violation of any Laws, and to the Knowledge of Seller, no such notice, charge, claim, investigation, audit or assertion is pending, proposed or threatened nor is there currently any basis for the same.

(c) Neither any Company nor to the Knowledge of Seller, any director, officer, employee, agent, sales representative, distributor or similar third Person acting for the benefit of any Company has (i) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to political activity; or (ii) made any unlawful payment or unlawfully offered anything of value to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns and there are no Governmental Investigations pending, or to the Knowledge of Seller, threatened with respect to any of the foregoing.

(d) Each Company has obtained all export licenses, license exceptions and other consents, notices, waivers, approvals, orders, authorizations, registrations, declarations, classifications, and made all filings, with any Governmental Authority required for the export of products and services to foreign jurisdictions, including the *Export and Import Permits Act* (Canada), the customs and import Laws administered by the Canada Border Services Agency, and sanctions administered by Global Affairs Canada, as amended, and all applicable non-U.S. counterparts or equivalents of the foregoing and regulations governing the manufacture and export of defense articles, defense services and associated technical data, as set forth in the International Traffic in Arms Regulations (ITAR), 22 C.F.R. Parts 120-130, as amended (collectively, "Export Approvals"), and each Company is in compliance in all material respects with the terms of all such Export Approvals.

4.16 Intellectual Property.

(a) Section 4.16(a) of the Seller Disclosure Schedules identifies: (i) all Intellectual Property Registrations that have been issued to or are otherwise owned by each Company (collectively, "Company Owned Intellectual Property Registrations") and material unregistered Intellectual Property (other than Trade Secrets) owned by such Company (together, with Company Owned Intellectual Property Registrations, the "Company Owned Intellectual Property"), including issued patents, registered Trademarks, domain names, and copyrights, as well as pending applications, and specifying as to each, as applicable, (A) the title, mark, or design, (B) the record owner and inventor(s), if any, (C) the jurisdiction by or in which it has been issued, registered, or filed, (D) the patents, registration, or application serial number, (E) the issue, registration, or filing date, and (F) the current status; and (ii) Intellectual Property that has been licensed to the Companies by a third party or that is otherwise used by such Company but is not owned by such Company ("Company Licensed Intellectual Property") (although included in Company Licensed Intellectual Property, Section 4.16(a) of the Seller Disclosure Schedules excludes currently-available, "off the shelf" or similar Software programs ("OTS Licenses") that have an annual license or subscription fee of less than $35,000 a year per license). All such Company Owned Intellectual Property Registrations are, to the Knowledge of Seller, valid and Enforceable and all such Company Owned Intellectual Property Registrations are in full force and effect.

(b) The Companies have made available in the Data Room true and complete copies (or, in the case of any material oral agreements, a complete and correct written description) of all material Contracts (including a listing of all OTS Licenses that have an annual license or subscription fee of less than $35,000 a year per license, but excluding the Contracts underlying such OTS Licenses) of each Company pertaining to Company Intellectual Property or such Company's license or use of any material Intellectual Property (collectively and as applicable, the "Company IP Agreements"), excluding non-negotiated off-the-shelf software licenses, including all modifications, amendments and supplements thereto and waivers thereunder. Each Company IP Agreement is Enforceable in accordance with its terms and is in full force and effect. Neither any Company nor, to the Knowledge of Seller, any other party thereto is, or is alleged to be, in breach of or default under, or has provided or received any notice of breach of, default under, or intention to terminate (including by non-renewal), any Company IP Agreement.

(c) Neither the execution, delivery or performance of this Agreement, nor the consummation of the Contemplated Transactions, will result in the loss or impairment of, or require the consent of or additional compensation to any other Person in respect of, each Company's right to own or use any Company Owned Intellectual Property or any material Company Licensed Intellectual Property.

(d) All Company Intellectual Property will be owned or available for use, as applicable, by Buyer immediately following the Effective Time on identical terms (including duration) and conditions as it was immediately prior to the Effective Time. Each Company is the sole and exclusive, legal and beneficial, and with respect to the Company Owned Intellectual Property Registrations, record, owner of all right, title, and interest in and to the Company Owned Intellectual Property, and has the valid and Enforceable right to use all other material Intellectual Property used in or necessary for the conduct of the Business as currently conducted, in each case, free and clear of any Encumbrances, other than Permitted Encumbrances. The Company Intellectual Property constitutes all material Intellectual Property necessary to conduct the Business in the manner currently conducted by each Company.

(e) Each Company has maintained in confidence all Trade Secrets and confidential information comprising a part of the Company Owned Intellectual Property. The Trade Secrets of each Company are not part of the public knowledge or literature and have not been used, divulged or appropriated either for the benefit of any Person (other than a Company) or to the detriment of any Company. The Software and computer hardware forming part of the Company Technology (the "Company IT Systems"): (i) has commercially reasonable and appropriate security, back-ups, disaster recovery arrangements, and hardware and software support and maintenance to mitigate the risk of material error, breakdown, failure or security breach occurring and to protect against such events causing a material disruption to any portion of the Business; (ii) function, operate, process and compute in accordance with all applicable Laws (including Privacy Laws) in all material respects; and (iii) to the Knowledge of Seller, does not contain viruses, Trojan horses, back doors or other malicious code ("Destructive Mechanisms"). All Company IT Systems are in good working condition, are sufficient for the operation of the Business as currently conducted and perform in accordance with their specifications. There has been no actual, alleged or suspected (i) security breach, or unauthorized use, access, disruption or intrusion, of or to any of the Company IT Systems or (ii) misuse, theft, loss or unauthorized or unlawful access, use or other Processing of information Processed or maintained by the Company IT Systems. Each Company has conducted appropriate data security testing and audits of the Company IT Systems at regular and appropriate intervals and have resolved or remediated any material data security issues or vulnerabilities identified during such testing or audits.

(f) To the Knowledge of Seller, the conduct of the Business in the manner currently conducted by each Company, including any AI Output generated as a result of any use of Company Owned Intellectual Property or Company Licensed Intellectual Property, does not infringe, violate, or misappropriate any rights, including Intellectual Property rights, of any third party. There have been no written complaints, claims or notices, or threats of any of the foregoing (including any notification that a license under any patent is or may be required), received in writing by any Company in the prior two (2) years, alleging any such infringement, violation or misappropriation and any request or demand for indemnification or defense received in writing by any Company from any reseller, distributor, customer, user or any other third party.

(g) To the Knowledge of Seller, no Person is infringing, violating or misappropriating any of the Company Owned Intellectual Property, and, with respect to any material Company Licensed Intellectual Property, no Person is to the Knowledge of Seller infringing, violating, or misappropriating such material rights. There are no Actions (including any opposition, cancellation, revocation, review or other proceeding, but excluding office actions issued by patent offices), whether settled, pending or, to the Knowledge of Seller, threatened in writing: (i) alleging any infringement, misappropriation, or other violation by any Company of the Intellectual Property of any Person; (ii) challenging the validity, enforceability, registrability, patentability, or ownership of any Company Intellectual Property or any Company's right, title, or interest in or to any Company Intellectual Property; or (iii) by any Company alleging any infringement, misappropriation or other violation by any Person of the Company Intellectual Property. No Company is subject to any outstanding or prospective Governmental Order (including any motion or petition therefor) that does or could reasonably be expected to restrict or impair the use of any Company Intellectual Property that could reasonably be expected to cause a Seller Material Adverse Effect.

(h) No Company has licensed, distributed or disclosed, nor has any duty or obligation (whether present, contingent, or otherwise) to license, distribute, or disclose, and no other Person has licensed, distributed or disclosed (including any Company Employee), and nor has any duty or obligation (whether present, contingent, or otherwise) to license, distribute or disclose, the Company Source Code owned by the Companies to any escrow agent or any other Person, and each Company has taken commercially reasonable physical and electronic security measures to prevent the unauthorized disclosure of such Company Source Code.

(i) To the Knowledge of Seller, each Company has complied with the requirements of licenses for Open Source Materials. None of the Customer Offerings are subject to any "copyleft" or other obligation or condition (including any obligation or condition under any "open source" license) that: (i) would or does require, or would or does condition the use or distribution of such Customer Offering on, the disclosure, licensing or distribution of any source code for any portion of such Customer Offering; (ii) grant, or purport to grant, to any third party, any rights or immunities under Company Intellectual Property or (iii) would or does otherwise impose any limitation, restriction or condition on the right or ability of such Company to use or distribute any Customer Offering. To the Knowledge of Seller, no Company has used any Open Source Materials in a manner that does, will, or would reasonably be expected to require the: (A) disclosure or distribution of any Customer Offering in source code form; (B) license or other provision of any Customer Offering on a royalty-free basis; or (C) grant of any patent license, non-assertion covenant, or other rights under any Company Intellectual Property or rights to modify, make derivative works based on, decompile, disassemble, or reverse engineer any Customer Offering.

(j) Each employee and independent contractor of each Company who has contributed to the research, development, conception, reduction to practice, authorship, creation, modification or improvement of any Intellectual Property in the course of such Company Employee's employment by, or such Company Independent Contractor's work for, such Company, including any Company Owned Intellectual Property, in whole or in part, either:

(i) has done so in the course of and in the scope of his or her employment or engagement with such Company, pursuant to binding, valid and Enforceable, written agreement with such Company that pursuant to the terms thereof and under applicable Law all Intellectual Property arising therefrom has become and is currently the exclusive property of such Company, and for greater clarity: (a) has assigned, transferred, set over absolutely in favour of such Company, in the course of and in the scope of his or her employment or engagement with such Company, pursuant to binding, valid and Enforceable, written agreement with such Company, and under all applicable Law, all of his or her rights, title, and interest in and to such Intellectual Property arising therefrom; and (b) has waived absolutely in favour of such Company, pursuant to binding, valid and Enforceable, written agreement with such Company, and under all applicable Law, all of his or her moral rights in and to such Intellectual Property arising therefrom; or

(ii) has in place Enforceable written agreements with such Company whereby such employee or independent contractor:

(1) ensures such Company's exclusive ownership of all Intellectual Property invented, created, or developed by such employee or independent contractor within the scope of their employment or engagement with such Company;

(2) grants to such Company a present, irrevocable assignment of any ownership interest such employee or independent contractor may have in or to such Intellectual Property, to the extent such Intellectual Property does not constitute a "work made for hire" under applicable Law; and

(3) irrevocably waives any non-assignable right or interest, including any moral rights, regarding any such Intellectual Property, to the extent permitted by applicable Law.

The Companies have provided Buyer with true and complete copies of all such written agreements.

All assignments and other instruments necessary to establish, record, and perfect each Company's ownership interest in the Company Owned Intellectual Property Registrations have been validly executed, delivered, and filed with the relevant Governmental Authorities and authorized registrars, and there are no claims or interests of third parties (including current and former employee or independent contractor of such Company) alleging ownership interests in any such Intellectual Property.

(k) No Company has sought, applied for or received any support, funding, resources or assistance from any Governmental Authority, quasi-governmental agency or funding source, government-owned institution, university, college, other educational institution or research center.

(l) No Company has (i) Processed any Personal Data from Persons that reside in the European Economic Area; or (ii) engaged any third party in the European Economic Area to Process any Personal Data on behalf of any Company.

(m) Each Company has complied in all material respects with, and is in compliance in all material respects with, (i) all Privacy Laws, and (ii) all Contracts, and all internal or publicly posted policies, notices, frameworks and statements, in each case, with respect to the monitoring, Processing, protection or security of Personal Data, or privacy in the conduct of the Business (collectively, the "Privacy Obligations"). Each Company has developed and implemented appropriate frameworks, policies and procedures and training programs to comply with the Privacy Laws. Each Company maintains (and has maintained) appropriate administrative, physical, contractual and technical security measures designed to protect all Personal Data it controls, possesses, holds, maintains or otherwise Processes from data security breaches and other incidents resulting in loss, theft or the breach of protection of such Personal Data, or unauthorized or unlawful access, use, acquisition, modification, disclosure or other Processing of such Personal Data (each, a "Data Security Breach"). Except as set forth on Section 4.16(m)(i) of the Seller Disclosure Schedules, in the past five (5) years, no Company has (i) experienced any actual, alleged, or suspected Data Security Breach involving Personal Data in its possession or control; (ii) been subject to any Governmental Order or received any written notice of any audit, investigation, complaint, or other Action by any Governmental Authority, customer, subcontractor, business associate, or other Person concerning such Company's Processing or protection of Personal Data or actual, alleged, or suspected violation of any Privacy Obligation; or (iii) received, or been required by any applicable Law or Contract to provide to any Person, any notification or report of a Data Security Breach or other incident of actual, alleged or suspected compromise to the privacy or security of Personal Data. To the Knowledge of Seller, there are no facts or circumstances that would reasonably be expected to give rise to any such Governmental Order, Action or notification or reporting obligation. Each online site and mobile application of each Company has posted terms of use and a privacy policy that accurately reflects such Company's practices concerning the Processing of Personal Data and is compliant with applicable Laws in all material respects. No Company has made (or instructed or authorized any Person to make) any false or misleading claim, representation, advertisement or statement regarding any Company's Processing or protection of Personal Data. Except as set forth on Section 4.16(m)(ii) of the Seller Disclosure Schedules, no notice, report or disclosure of any Data Security Breach or other actual, alleged or suspected loss, theft or unauthorized or unlawful Processing of Personal Data has been provided or made by any Company to any Governmental Authority or other Person. The execution of this Agreement and the consummation of the Contemplated Transactions comply with all Privacy Obligations in all material respects. Each Company has performed security assessments (including penetration testing and vulnerability scans of the Company's Intellectual Property, Customer Offerings and Internal Systems) in accordance with industry standards and the Privacy Obligations ("Security Assessments"), at appropriate intervals, and no less frequently than required by the Privacy Obligations. Copies of the two (2) most recent Security Assessments for each Company are set forth on Section 4.16(m)(iii) of the Seller Disclosure Schedules. Each Company has developed a plan in accordance with the Privacy Obligations to address and remediate, all material threats and deficiencies identified in each Security Assessment, and such Company has addressed and remediated, or is proceeding diligently to promptly address and remediate those material threats and deficiencies, as applicable. All material threats and deficiencies have been completely addressed and remediated as of the date of this Agreement.

(n) Except for any restrictions set forth in the Privacy Laws or the publicly posted privacy policies, notices, frameworks and statements of each Company, true and complete copies of which have all been made available to Buyer in the Data Room, there shall be no restriction on the use by Buyer of Personal Data collected, obtained, received, created or generated by or on behalf of each Company prior to the Closing Date. The manner in which such Personal Data has been collected, obtained, received, created or generated by each Company complies (and has complied) with all applicable Laws and the Privacy Obligations. Each Company has provided and obtained (or, to the extent permitted by applicable Laws, has taken appropriate steps to ensure that a third party has provided and obtained) all notices and consents required to Process Personal Data as necessary to conduct the Business in accordance with the Privacy Laws. Other than with respect to the Companies' Representatives' Personal Data, the only Personal Data collected by the Companies is certain names and contact information within Contracts entered into with Persons that are not individuals.

(o) The Customer Offerings and Internal Systems, including any third-party software that incorporated therein, in all material respects: (i) perform in accordance with (A) its applicable documentation and/or other product specifications, (B) applicable Law, and (C) industry standards (including with respect to security); (ii) conform to all applicable contractual commitments, express and implied warranties (to the extent not subject to legally effective express exclusions thereof), representations and claims in packaging, labeling, advertising and marketing materials; (iii) are in machine-readable form; and (iv) contain all current revisions.

(p) Each Company has made available to Buyer all information that relates to any material performance or functionality problem or issue with respect to any Customer Offerings or Internal Systems that does, or may reasonably be expected to, materially adversely affect the value, functionality or fitness for the intended purposes of any Customer Offerings or Internal Systems. To the Knowledge of Seller, the Customer Offerings and Internal Systems are free of material defects, bugs or programming errors that materially adversely affect the functionality of such Customer Offerings and Internal Systems and, to the Knowledge of Seller, contain no Destructive Mechanisms.

(q) Section 4.16(q) of the Seller Disclosure Schedules lists all social media accounts used in the Business, or otherwise used by or held for use by any Company. Each Company controls access to all social media accounts listed in Section 4.16(q) of the Seller Disclosure Schedules, and holds all passwords and permissions necessary to control the contents posted in such social media accounts. Each Company has complied with all material terms of use, terms of service, and other contracts and all associated policies and guidelines relating to their use of any social media platforms, sites, or services (collectively, "Platform Agreements"). There is no Action, whether settled, closed, pending, or to the Knowledge of Seller, threatened, alleging any: (i) breach or other violation of any Platform Agreement by any Company; or (ii) defamation, violation of publicity or privacy rights of any Person, or any other violation by any Company in connection with their use of social media.

(r) Each Company is and has been in material compliance with (i) CASL; (ii) all Contracts related to CASL or anti-spam matters; and (iii) each Company's internal and external-facing policies, procedures, guidelines and rules related to CASL and anti-spam matters (collectively, the "CASL Obligations"), and maintains sufficient records to demonstrate such compliance. No Company has been subject to any Governmental Order or received any written notice of any audit, warning, investigation, inquiry, complaint or other Action by any Governmental Authority or other Person concerning the sending of commercial electronic messages or any actual, alleged or suspected violation of any CASL Obligation.

(s) Each Company maintains, enforces and adheres to (and has maintained, enforced and adhered to) appropriate and industry standard policies and procedures relating to the ethical, responsible and lawful (i) design, development, testing, validation, training, operation, improvement and refining of AI Products; and (ii) use of AI Technologies in the course of conducting the Business (the "AI Policies"). Each of the AI Products has been designed, developed, tested, validated, trained, operated, improved, refined, marketed, provided, offered and sold in material compliance with all applicable Laws (including human rights laws and Privacy Laws), the Privacy Obligations and the AI Policies. Each Company's use of AI Technologies complies (and has complied) in all material respects with all applicable Laws (including human rights laws and Privacy Laws), the Privacy Obligations and the AI Policies. No Training Data is (or has been) falsified, biased or discriminatory or collected, acquired, generated or otherwise Processed by or behalf of any Company in a manner that does not comply with applicable Law (including human rights laws or Privacy Laws), the Privacy Obligations or the AI Policies.

4.17 Contracts.

(a) Section 4.17(a) of the Seller Disclosure Schedules sets forth a list or description of the following Contracts (each a "Material Contract" and collectively, the "Material Contracts"):

(i) any Contract (or group of related Contracts) for the purchase or sale of inventory, raw materials, supplies, goods, products, equipment or other personal property, or for the furnishing or receipt of services, (1) for which any Company was paid in excess of $125,000 for the 2024 calendar year or for the six months ended June 30, 2025; or (2) with respect to any such Contract between any Company and a customer, if such Contract (or group of related Contracts) is in respect of a customer that generated (or would generate upon satisfaction of such Contract) aggregate revenues with respect to such customer to any Company, on a consolidated basis, equal to or in excess of $125,000 for the 2024 calendar year or for the six months ended June 30, 2025;

(ii) any lease or other Contract relating to the Assets providing for annual rental payments in excess of $50,000, under which any Assets is held or used by any Company;

(iii) any Contract for the purchase or sale of products or for the furnishing or receipt of services (1) which involves one of each Company's ten (10) largest customers (as determined based on such Company's revenue for the 2024 fiscal year); (2) which involves annualized expenditure of more than $125,000; or (3) in which such Company has granted manufacturing rights, "most favored nation" or "best price" pricing provisions or marketing or distribution rights relating to any services, products or territory or has agreed to purchase a minimum quantity of goods or services or has agreed to exclusively purchase or sell goods or services from a certain party;

(iv) any Contract relating to the acquisition or disposition of any business, Person, or asset (whether by merger, consolidation or other business combination, sale of securities, sale of assets or otherwise) in the past 12-month period, other than in the Ordinary Course of Business and other than the Contemplated Transactions;

(v) any Contract concerning or consisting of a partnership, limited liability company or joint venture agreement or any other relationship involving the sharing of profits, losses or costs;

(vi) any Contract involving any obligation on the part of any Company to refrain from competing with any Person, from soliciting any employees, independent contractors or customers of any Person or from conducting any other lawful commercial activity (including in any geographic region) that, in each case, impose material restrictions on the Companies, taken as a whole, or would otherwise reasonably be expected to have the effect of materially prohibiting or materially impairing the conduct of the Business as currently conducted and as currently proposed to be conducted;

(vii) any Contract providing for the employment of any employee of any Company Employee or engagement of any Company Independent Contractor on a full-time, part-time, consulting or other basis or otherwise providing base compensation that is in excess of $125,000 per annum;

(viii) any Contract under which any Company has advanced or loaned an amount to any of its Affiliates, Company Employees, or Company Independent Contractors (other than travel allowances or similar items in the Ordinary Course of Business);

(ix) any Contract with any current or former officer, director or shareholder of any Company or any Affiliate thereof that is not related to such Person's employment or termination of employment;

(x) any settlement, conciliation or similar Contracts imposing any Contract on any Company after the Closing Date; or

(xi) any Contract not otherwise disclosed on Section 4.17(a) of the Seller Disclosure Schedules containing any "change of control" consent requirements or similar consent provisions that will be triggered by the execution of this Agreement or the consummation of the Contemplated Transactions.

(b) Breach, etc. Neither any Company nor, to the Knowledge of Seller, any other party to any Material Contract, is in material breach or violation of, or default under, or has repudiated any material provision of, any Material Contract (including all material warranty obligations or otherwise), nor to the Knowledge of Seller, has any event occurred which, with the passage of time or the giving of notice, or both, would constitute a material breach or violation of, or default under, any Material Contract (including all material warranty obligations or otherwise). No Company has received written notice from any other party to any Material Contract or to the Knowledge of Seller has any reason to believe that such party intends to terminate, breach or default under such Material Contract. No party to any Material Contract has given any Company notice of any action to amend, terminate, cancel, rescind or procure a judicial reformation thereof.

(c) Standard Form Contracts. True and complete copies of each Material Contract and each standard-form contract, excluding any purchase orders and any OTS Licenses, used by any Company in the Ordinary Course of Business has been made available to Buyer in the Data Room.

4.18 Customers and Suppliers. Section 4.18 of the Seller Disclosure Schedules sets forth a true, correct and complete list of (a) the ten (10) largest customers of each Company (measured by aggregate revenue) for each of the fiscal year ended December 31, 2024 and the six months ended June 30, 2025, including the aggregate revenue for each such customer; and (b) the ten (10) largest suppliers of materials, products or services to such Company (measured by the aggregate amount purchased by such Company) for each of the fiscal year ended December 31, 2024 and the six months ended June 30, 2025, including the aggregate amount purchased by such Company from each such supplier. To the Knowledge of Seller, there exists no actual or threatened termination, cancellation or limitation of, or any proposed adverse modification, amendment or change in, the business relationship of any Company with any customer or supplier listed in Section 4.18 of the Seller Disclosure Schedules.

4.19 Environmental Matters.

(a) Each Company has in the past three (3) years complied, and is in compliance, in all material respects with all applicable Environmental Laws. No Company has received in the past three (3) years any written Governmental Order, notice, report or other communication by any Governmental Authority or third party of any actual or potential violation of or failure by any Company to comply with any Environmental Laws.

(b) In the past three (3) years, no Company has received any written notice, report or other written communication that there are any pending or threatened Actions, Encumbrances or Environmental, Health and Safety Liabilities arising under or pursuant to any Environmental Law or relating to Contaminants, with respect to or affecting the Real Property, any of the Facilities or any other properties and assets (whether real, personal or mixed) owned or operated by any Company at any time, and to the Knowledge of Seller there are no facts, circumstances or conditions that could reasonably form the basis for any such Actions, Encumbrances or Environmental, Health and Safety Liabilities.

(c) No Company has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, Released, or used any Contaminants, except in compliance with Environmental Laws, or, to Seller's Knowledge, owned or operated any property or facility where any Contaminants have been Released or are present, including the Real Property and the Facilities, in each case so as to reasonably give rise to any current or future liability of any Company pursuant to any Environmental Laws.

(d) None of Seller or its predecessors and none of their officers or directors have been charged or convicted of any offence relating to or arising from non-compliance with Environmental Laws and have not been fined or otherwise sentenced, ordered to pay any penalties, imprisoned or settled any prosecution short of conviction relating thereto.

(e) To the Knowledge of Seller, none of the Real Property have been or is being used as a landfill or waste disposal site and there are no underground or above ground storage tanks, pits, lagoons or waste containment or disposal areas located on, at, in or under any of the Real Property and the Facilities which are in violation of any Environmental Laws or in circumstances which give or may reasonably give rise to liability under any Environmental Laws.

(f) Neither the Business nor, with respect to the Business, Seller have assumed, undertaken, or provided by contract any indemnity or obligation of any other Person relating to Clean-up.

(g) Seller has provided to Buyer complete, true and correct copies of all environmental audits, inspections, investigations, reports, studies and assessments including all sampling and testing results relating to the Real Properties, the Facilities and any acquired assets within their possession or reasonable control.

4.20 No Finder. Neither any Company nor any Person acting on its behalf has paid or become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the Contemplated Transactions.

4.21 **Taxes**. Except as set forth in Section 4.21 of the Seller Disclosure Schedules:

(a) Each Company has duly and on a timely basis (taking into account all applicable extensions) prepared and filed with each Governmental Authority all Tax Returns required to be filed by applicable Law, and such Tax Returns are complete and correct in all material respects. Copies of (i) all Tax Returns filed in respect of the four fiscal years of each of the Companies ending prior to the date hereof, and (ii) all Tax Returns filed with a Governmental Authority in respect of the current fiscal year of each of the Companies, have been provided to Buyer. All Canadian and foreign federal, provincial, state and territorial income Tax assessments have been issued to each of the Companies covering all past periods up to and including the taxation year ended December 31, 2024;

(b) Each Company has paid, collected and remitted all Taxes and instalments on account of Taxes which are due and payable, collectible or remittable, as the case may be. Adequate provision has been made in the Annual Financials and Interim Financials for all Taxes for the periods covered by the Annual Financials and Interim Financials, respectively. Since the date of the Interim Financials, the Companies have not incurred material Taxes outside of the ordinary course of business. There are no Encumbrances for Taxes upon the assets of any Company (other than Permitted Encumbrances);

(c) There are no Actions, suits, proceedings, investigations, audits or claims now pending or, to Seller's Knowledge, threatened, against any Company in respect of Taxes and there has at no time within the past five years been a matter under dispute, audit or appeal with any Governmental Authority relating to Taxes. No reassessments of the Taxes of any Company have been issued and are outstanding. None of the Companies nor Seller has received any written indication from any Governmental Authority that an assessment or reassessment of a Company is proposed in respect of any Taxes, regardless of its merits;

(d) There are no agreements, waivers or other arrangements providing for any extension of time with respect to the filing of any Tax Return or the payment of any Taxes by any Company or the period for any assessment or reassessment of Taxes (other than any extension of the time to file a Tax Return obtained in the ordinary course of business consistent with past practices). No Company has requested, received or entered into any advance Tax rulings or advance pricing agreements with any Governmental Authority;

(e) Each Company has withheld from each amount paid or credited to any Person the amount of Taxes required to be withheld and has remitted such Taxes to the proper Governmental Authority within the time required under applicable Law;

(f) No claim has ever been made by any Governmental Authority in a jurisdiction where a Company does not presently file Tax Returns that it is or may be subject to taxation by that jurisdiction or is required to file Tax Returns in that jurisdiction;

(g) No Company (i) is a party to, bound by, or obligated under any Tax allocation, indemnity, or sharing contract or arrangement, or (ii) is liable for the Taxes of any other Person as a transferee or successor, by contract or otherwise, including under section 191.3 of the Tax Act;

(h) There are no circumstances existing prior to the date hereof which could result in the application to any Company of any of sections 80 to 80.04 of the Tax Act or any analogous provision of any applicable Law;

(i) No Company has any unpaid amounts that may be required to be included in the Company's income for Canadian income Tax purposes under section 78 of the Tax Act or any analogous provision of any applicable Law in any taxation year ending after Closing;

(j) No circumstances exist and no transaction or event or series of transactions or events has occurred which has resulted or could result in a liability for Tax of a Company, either before, on or after the Closing, under section 17 of the Tax Act or any analogous provision of any applicable Law;

(k) No Company has received a requirement, demand or request pursuant to section 224 of the Tax Act or any analogous provision of applicable Law which remains unsatisfied in any respect;

(l) No Company (i) has made any payment, (ii) is obligated to make any payment, or (iii) is party to any agreement under which it could be obligated to make any payment that may not be deductible by virtue of section 67 of the Tax Act, other than in the Ordinary Course of Business;

(m) The value of consideration paid or received by a Company in respect of the acquisition, sale or transfer of any property or the provision of any services to or from any Person with whom it does not deal at "arm's length" (as defined for purposes of the Tax Act) has been equal to the fair market value of such property acquired, sold or transferred or services provided;

(n) The terms and conditions made or imposed in respect of every transaction (or series of transactions) between a Company (other than CDMUS) and any Person that is (i) a non-resident of Canada for purposes of the Tax Act, and (ii) not dealing at arm's length (within the meaning of the Tax Act) with the Company, do not differ from those that would have been made between persons dealing at arm's length within the meaning of the Tax Act, and records or documents meeting the requirements of paragraphs 247(4)(a) to (b) of the Tax Act have been prepared or otherwise obtained in respect of all such transactions;

(o) No Company has claimed, or will claim in respect of any taxation year ending on or prior to Closing, any reserve or deduction for Tax purposes if, as a result of such claim, any amount could be included in its income for a taxation year ending after Closing;

(p) CDM is duly registered under Part IX of the Excise Tax Act (Canada) ("ETA") for purposes of the goods and services and harmonized sales tax ("GST/HST") with GST/HST number 869828731RT0001 and with Revenu Québec under An Act respecting the Québec Sales Tax (Québec) (the "QST Act") for purposes of the Québec sales tax ("QST") with QST number 1209165241TQ0001 and under the Provincial Sales Tax Act (British Columbia) (the "PST Act") for purposes of the British Columbia provincial sales tax ("PST") with PST number PST10121207 and for any other applicable provincial or other sales Tax purposes. All input tax credits and rebates claimed by it for GST/HST purposes and all input tax refunds and rebates claimed by it for QST or PST purposes were calculated and claimed in accordance with applicable Law. CDM has at all times complied with all obligations and requirements imposed for GST/HST purposes under the ETA for QST and PST purposes under the QST Act and PST Act, respectively, and for provincial or other sales Tax purposes, including all registration, reporting, filing, payment, collection and remittance requirements. For all material sales that are exempt from sales and similar Taxes and that were made without charging or remitting sales or similar Taxes, CDM received and retained any appropriate tax exemption certificates and other documentation qualifying such sale as exempt;

(q) no Company has any liability for Taxes of another Person under Treasury Regulation § 1.1502-6 (or any similar provision of state, local or foreign law), under any agreement or arrangement (other than any such agreement or arrangement entered into in the Ordinary Course of Business the principal subject matter of which is not Taxes), or as a transferee or successor;

(r) no Company has participated in any "listed transaction" within the meaning of Treasury Regulation § 1.6011-4(b)(2); (h) no Company has constituted either a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code; and

(s) since January 1, 2020, no Company has been a member of any combined, consolidated or Affiliated Group.

For avoidance of doubt, the representations in this Section 4.21 refer only to the past activities and are not intended to serve as representations to, or as a guarantee of, nor can they be relied upon for, or with respect to, Taxes attributable to any Tax periods beginning, or Tax positions taken, on or after the Closing Date. Notwithstanding anything to the contrary in this Section 4.20, neither the Companies nor the Seller make representations as to the amount of, or limitations on the use in any taxable period beginning on or after the Closing Date of, any non-capital losses, net operating losses, capital losses, expenses, expenditures, deductions, depreciation, undepreciated capital cost, capital cost, adjusted cost base, cost basis, paid-up capital, Tax credits or any other Tax attributes or similar items.

4.22 Warranties. No Company has given any guarantee or warranty in respect of any of the products sold or the services provided by any Company, except warranties made in the Ordinary Course of Business, and except for warranties, express or implied, pursuant to Laws or set forth in the standard forms of contracts of the Companies included in the Data Room. As of the date hereof, there are no outstanding warranty claims. As of the date hereof, there are no service obligations of any Company in favor of the customers or users of products or services of the Business, except obligations incurred in the Ordinary Course of Business.

4.23 No Prepayments. All customer prepayments of any Company are reflected as a liability on such Company's books and records.

4.24 Insurance. Section 4.24(a) of the Seller Disclosure Schedules sets forth a true, correct and complete list of insurance policies, including policies by which any Company or any of its Assets, employees, officers or directors or the Business have been insured since January 1, 2023 (the "Liability Policies"), including for each Liability Policy the type of policy, name of insurer and expiration date. The Companies have made available to Buyer in the Data Room true, correct and complete copies of all Liability Policies, in each case, as amended or otherwise modified and in effect. There is no self-insurance arrangement affecting any Company. Each Company has since January 1, 2024, maintained in full force and effect with financially sound and reputable insurers insurance with respect to the Assets and the Business, in such amounts and against such losses and risks as is customarily carried by Persons engaged in the same or similar business and as is required under the terms of any applicable Real Property Leases, other Contracts or applicable Law. No insurer (a) has questioned, denied or disputed (or otherwise reserved its rights with respect to) the coverage of any claim pending under any Liability Policy; or (b) has provided any notice of cancellation or any other indication and no Company has any reason to believe that any insurer plans to cancel any Liability Policy or materially raise the premiums or materially alter the coverage under any Liability Policy. No claim has been made under any Liability Policy since January 1, 2024.

4.25 Affiliate Transactions. Neither any Company, any Affiliate of any Company nor any employee, director or officer of any Company, or to the Knowledge of Seller, any immediate or extended family members thereof, owns or has any ownership interest in any Asset used in, or necessary to, the Business. No officer, director or employee of any Company, or to the Knowledge of Seller, any immediate or extended family members thereof, is, directly or indirectly, a creditor, debtor, customer, distributor, supplier or vendor of, or is a party to any Contract with, any Company.

4.26 Books and Records; Bank Accounts.

(a) Except as disclosed in Section 4.26(a) of the Seller Disclosure Schedules, the minute books and other corporate records of each Company, including the identification of all depositary and other financial accounts of each Company (all of which accounts are identified on Section 4.26(a) of the Seller Disclosure Schedules) are in each Company's possession, have been in all material respects properly kept and are up-to-date, and contain in all material respects an accurate and complete record of the matters that should be dealt with in those books in accordance with Law, and no notice or allegation that any of them is incorrect or should be rectified has been received.

(b) Section 4.26(b) of the Seller Disclosure Schedules sets forth a complete and accurate list of (i) the name of each bank in which each Company has accounts or safe deposit boxes; (ii) the name(s) in which the accounts or boxes are held; (iii) the type of account; and (iv) the name of each Person authorized to draw thereon or have access thereto (each an "Authorized Signatory").

4.27 **Powers of Attorney**. No Company has any general or special powers of attorney outstanding (whether as grantor or grantee thereof).

4.28 **Canadian Securities Law Matters**. Each Company is, and at all times since their respective incorporations have been, a "private issuer" as that term is defined in Section 2.4(1) of National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators. Each Company is not a "reporting issuer" in any province or territory of Canada. There is no published market for any issued and outstanding securities of each Company. The number of security holders of each Company is not more than 50, exclusive of holders who: (i) are in the employment of the respective Company or an affiliate of the respective Company, or (ii) were formerly in the employment of the respective Company or in the employment of an entity that was an affiliate of the respective Company at the time of that employment, and who while in that employment were, and have continued after that employment to be, security holders of the respective Company.

4.29 **Limited Operations**. CDMUS has no (a) employees nor (b) owns or leases real estate located in the United States. Neither Company has any material operations located in the United States. Since inception, DDC has acted solely as a holding company for CDM and its predecessor businesses, and has no employees, real estate or assets other than the CDM Shares.

4.30 **Internal Controls**. The Companies have implemented and maintain internal controls and procedures to reasonably ensure that material information relating to the Companies and the Business is made known to the chief executive officer and the chief financial officer of such Company in preparing such Company's financial statements.

ARTICLE V
REPRESENTATIONS AND WARRANTIES
CONCERNING SELLER

As an inducement to Buyer to enter into this Agreement and to consummate the Contemplated Transactions, Seller represents and warrants to Buyer as follows and acknowledges that Buyer is relying on the accuracy of each such representation and warranty in entering into this Agreement and completing the Contemplated Transactions. All representations and warranties of Seller concerning each Company are made subject to an applicable disclosure in Seller Disclosure Schedules making specific reference to the Section or Sections of this Agreement to which it applies.

5.1 **Organization, Standing and Power**. Seller is a valid and subsisting limited partnership under the laws of the Province of Manitoba and has all requisite power and authority necessary to enable it to own, lease or otherwise hold its properties and assets, including the Shares, and to conduct its businesses as presently conducted except for jurisdictions in which the failure to be in good standing would not reasonably be expected to have a Seller Material Adverse Effect.

5.2 **Authority; Execution and Delivery; Enforceability**. Seller has full power and authority to execute this Agreement and the Seller Ancillary Agreements to which it is, or is specified to be, a party and to consummate the Contemplated Transactions. The execution and delivery by Seller of this Agreement and the Seller Ancillary Agreements to which it is, or is specified to be, a party and the consummation by Seller of the Contemplated Transactions have been duly authorized by all necessary action on the part of Seller, corporate or otherwise. Seller has duly executed and delivered this Agreement and has duly executed and delivered each Seller Ancillary Agreement to which it is, or is specified to be, a party, and this Agreement constitutes, and each Seller Ancillary Agreement to which it is, or is specified to be, a party will after the Closing constitute, its legal, valid and binding obligation, Enforceable against it in accordance with its terms.

5.3 **No Conflicts; Consents**. Except as may result from any facts and circumstances relating to Buyer or any of its Affiliates, neither the execution and delivery of this Agreement or the Seller Ancillary Agreements, nor the consummation of any of the Contemplated Transactions, nor compliance with or fulfillment of the terms, conditions and provisions hereof or thereof will conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default, an event of default or an event with or without notice or lapse of time, or both, creating rights of notice, first refusal, acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of any Encumbrance (other than Permitted Encumbrances but in the case of the Shares only Permitted Encumbrances described in clauses (d), (e) and (h) of the definition of Permitted Encumbrances) upon the Shares or any assets or properties of Seller, under (a) the Organizational Documents of Seller, (b) any material agreement to which Seller is a party or by which any of its assets are bound; (c) any Governmental Order to which Seller is a party or by which Seller is bound, or (d) any material Laws affecting Seller, the assets or Business of Seller, other than, in the case of clauses (b), (c) and (d), as would not prevent, materially delay or impair (x) the ability of Seller to execute and deliver this Agreement or consummate the Contemplated Transactions or (y) the performance by Seller of its obligations under this Agreement. There are no lawsuits, claims, proceedings or investigations pending or, to the Knowledge of Seller, threatened against or affecting Seller nor is there currently any basis for any of the same.

5.4 **The Shares**. Seller has good and valid title to the Shares, free and clear of all Encumbrances (other than Permitted Encumbrances, described in clauses (d), (e) and (h) of the definition of Permitted Encumbrances). Upon delivery to Buyer at the Closing of a certificate representing such Shares, duly endorsed by Seller for transfer to Buyer, good and valid title to the Shares will pass to Buyer, free and clear of any Encumbrances (other than Permitted Encumbrances described in clauses (d), (e) and (h) of the definition of Permitted Encumbrances). Other than this Agreement, the Shares are not subject to any voting trust agreement or other contract, including any contract restricting or otherwise relating to the voting, dividend rights or disposition of the Shares.

5.5 **Litigation**. There are no proceedings pending against or, to Knowledge of Seller, threatened against or affecting, Seller or any of its Affiliates that seek to restrain or prohibit, or to obtain damages or other relief in connection with, the Contemplated Transactions or under any Seller Ancillary Agreement.

5.6 **No Finder**. Neither Seller nor any Person acting on its behalf has paid or become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the Contemplated Transactions.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF PARENT AND BUYER

As an inducement to Seller to enter into this Agreement and to consummate the Contemplated Transactions, Parent and Buyer hereby represent and warrant to Seller as follows and acknowledges that Seller is relying on the accuracy of each such representation and warranty in entering into this Agreement and completing the Contemplated Transactions.

6.1 Organization of Parent and Buyer. Parent is duly organized, validly existing and in good standing under the laws of the State of Minnesota and has full corporate power and authority necessary to enable it to own, lease or otherwise hold its properties and assets, and to conduct its businesses as presently conducted. Buyer is duly organized, validly existing and in good standing under the Laws of the Province of Ontario and has full corporate power and authority necessary to enable it to own, lease or otherwise hold its properties and assets, and to conduct its businesses as presently conducted.

6.2 Authority of Parent and Buyer.

(a) Each of Parent and Buyer has full corporate power and authority to execute, deliver and perform this Agreement and the Buyer Ancillary Agreements to which it is party thereto. This Agreement has been duly authorized, executed and delivered by each of Parent and Buyer and is the legal, valid and binding agreement of Parent and Buyer, Enforceable in accordance with its terms. Each Buyer Ancillary Agreement has been duly authorized by Buyer and, when executed and delivered by all parties thereto, will be the legal, valid and binding obligation of Buyer, Enforceable in accordance with its respective terms.

(b) The board of directors of Parent (the "Parent Board") and Buyer (the "Buyer Board") at a duly held meeting (or by written consent in lieu of such meeting) has (i) approved this Agreement and the Buyer Ancillary Agreements and the Contemplated Transactions, and (ii) approved the execution and delivery of this Agreement and the Buyer Ancillary Agreements. None of the aforesaid actions by the Parent Board or Buyer Board has been amended, rescinded or modified as of the date of this Agreement. No other corporate proceedings on the part of Parent or Buyer are necessary to approve this Agreement or to consummate the Contemplated Transactions.

(c) None of the execution and delivery by Parent or Buyer of this Agreement or the Buyer Ancillary Agreements, the consummation of the Contemplated Transactions, or compliance by Parent or Buyer with any of the provisions hereof or thereof requires, or will require, any vote or approval of the direct or indirect holders of equity interests of Parent.

6.3 No Conflict; Consents. Neither the execution and delivery of this Agreement or the Buyer Ancillary Agreements, nor the consummation of any of the Contemplated Transactions, nor compliance with or fulfillment of the terms, conditions and provisions hereof will:

(a) conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default, an event of default or an event creating rights of acceleration, termination or cancellation or a loss of rights under (A) the Organizational Documents of Parent or Buyer; (B) any Governmental Order to which Parent or Buyer is a party or by which Parent or Buyer is bound, or (C) any Laws affecting Parent, Buyer, or their respective assets or businesses; or

(b) require the approval, consent, authorization or act of, or the making by Parent or Buyer of any declaration, filing or registration with, any Person, except the Competition Act Approval and as required by the rule and regulations of the U.S. Securities and Exchange Commission.

6.4 Litigation. There are no proceedings pending against or, to Knowledge of Buyer, threatened against or affecting, Parent, Buyer or any of its Affiliates that seek to restrain or prohibit, or to obtain damages or other relief in connection with, the Contemplated Transactions or under any Buyer Ancillary Agreement.

6.5 No Finder. Neither Buyer nor any Person acting on its behalf has paid or become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the Contemplated Transactions.

6.6 Bankruptcy. There are no bankruptcy, insolvency, reorganization, liquidation, dissolution, winding up or similar legal proceedings pending against, being contemplated by or, to the Knowledge of Buyer, threatened against Buyer, Parent or any of their respective Affiliates.

6.7 Financing.

(a) Buyer has delivered to Seller true, correct, and complete copies, including all exhibits and schedules thereto, of (i) the executed securities purchase agreement, dated as of the date of this Agreement (the "Securities Purchase Agreement"), by and between Parent and the Equity Provider, pursuant to which the Equity Provider has agreed to make an equity investment in Buyer, subject to the terms and conditions therein, in cash in the aggregate amount set forth therein (the "Equity Financing"), (ii) the executed debt commitment letter, dated as of the date of this Agreement (the "Debt Commitment Letter" and together with the Securities Purchase Agreement, the "Financing Documents"), from the financial institutions and other entities party thereto (including the parties to any joinder agreements or amendments joining such financial institutions or other entities to the Debt Commitment Letter and any entities that have committed to provide or arrange or otherwise entered into agreements in connection with the Debt Financing contemplated by the Debt Commitment Letter, collectively, the "Debt Financing Sources") pursuant to which the Debt Financing Sources have agreed to provide, subject to the terms and conditions set forth in the Debt Commitment Letter, the aggregate amount set forth in the Debt Commitment Letter (being referred to as the "Debt Financing" and, together with the Equity Financing, collectively referred to as the "Financing"), and (iii) the executed fee letter entered into in connection with the Debt Financing (collectively, the "Fee Letter"); provided that provisions in the Fee Letter related solely to the amount of fees agreed to by the parties and other commercially sensitive terms, none of which would reasonably be expected to materially reduce the aggregate principal amount of the Debt Financing to be funded on the Closing Date to an amount below that required hereunder or impose any new or additional conditions precedent to the availability of the Debt Financing on the Closing Date, may have been redacted.

(b) As of the date of this Agreement, (i) none of the Financing Documents have been amended or modified and none of the respective commitments contained in such letters have been withdrawn, terminated or rescinded in any respect and (ii) to the knowledge of Buyer, no such amendment or modification is contemplated (other than to add lenders, lead arrangers, bookrunners or other entities who had not executed the Debt Commitment Letter as of the date of this Agreement), and no such withdrawal, termination or rescission is contemplated. As of the date of this Agreement, Buyer has fully paid any and all commitment fees or other fees required by the Debt Commitment Letter that are payable on or prior to the date hereof.

(c) Assuming the Financing is funded in accordance with the Financing Documents and the satisfaction or waiver of the conditions to Buyer's obligation to consummate the transactions contemplated by this Agreement on the Closing Date, the Financing, when funded or invested in accordance with the Financing Documents, will provide Buyer the net proceeds (after netting out applicable fees, expenses, original issue discount and similar premiums and charges but taking into account any cash on hand, cash equivalents and any other available financing) sufficient for Buyer to pay, without duplication and after taking into account any cash on hand, cash equivalents and any other available financing, the Purchase Price (the "Required Amount").

(d) As of the date of this Agreement, the Financing Documents are (i) legal, valid and binding obligations of Parent, and to the Knowledge of Buyer, each of the other parties thereto, (ii) enforceable in accordance with their respective terms against Buyer and, to the Knowledge of Buyer, each of the other parties thereto, in each case subject to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other Laws affecting the enforcement of the rights of creditors and others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought, and (iii) in full force and effect.

(e) As of the date of this Agreement, no event has occurred which, with or without notice, lapse of time or both, would constitute a default or breach on the part of Buyer or, to the Knowledge of Buyer, any other parties thereto under any Financing Document. As of the date of this Agreement, assuming the satisfaction or waiver of the conditions to Buyer's obligation to consummate the transactions contemplated by this Agreement on the Closing Date, Buyer does not have any Knowledge that it will be unable to satisfy by the Outside Date any term or condition of either of the Financing Documents required to be satisfied by it, that the conditions thereof will not otherwise be satisfied or that the full amount of the Financing required to pay the Required Amount will not be available on the Closing Date; provided that Buyer makes no representations or warranties with regards to those conditions set forth in the Financing Documents that are to be satisfied by the Companies prior to Closing. Except as expressly set forth in the applicable Financing Documents, there are no (i) conditions to the obligation of the Equity Provider to fund the Equity Financing at the Closing or (ii) conditions to the obligations of the Debt Financing Sources to fund the Debt Financing at the Closing.

(f) As of the date of this Agreement, there are no side letters or other Contracts or agreements to which Buyer or any of its Affiliates is a party related to the Financing other than as expressly contained in the Financing Documents (and the Fee Letter) and delivered to Seller on or prior to the date hereof that would or would reasonably be expected to adversely affect the ability of Buyer to consummate the transactions contemplated by this Agreement on a timely basis.

6.8 No Other Representations. Except for the representations and warranties in Article IV and Article V (in each case, as modified by the Seller Disclosure Schedules), the Seller is not making any representations or warranties whatsoever regarding the subject matter of this Agreement, express or implied.

ARTICLE VII
PRE-CLOSING COVENANTS

7.1 Access and Investigation.

(a) Between the date of this Agreement and the Closing (the "Pre-Closing Period"), each Company will, and will cause each of its respective Representatives to, (a) afford Buyer and its Representatives, upon reasonable advance notice and during regular business hours, access to selected personnel approved by such Company (such approval not to be unreasonably withheld, conditioned or delayed), properties, Contracts, customers, books and records (including all Tax records), and other documents and data, (b) upload to the Data Room or otherwise provide to Buyer and its Representatives copies of all Contracts, books and records, financial information and other existing documents and information as Buyer and its Representatives may reasonably request.

7.2 Operation of Each Company and the Business.

(a) Ordinary Course. Except as expressly consented to in writing by Buyer or as specifically contemplated by this Agreement or the Seller Disclosure Schedules or except as may be required by Law, a Governmental Authority or an existing Material Contract, during the Pre-Closing Period, Seller shall use its commercially reasonable efforts to cause each Company to: (i) act and carry on the Business solely in the Ordinary Course of Business and maintain and preserve the Business; (ii) preserve its business relationships with customers, strategic partners, suppliers and distributors; (iii) continue to perform under all Material Contracts; and (iv) maintain all Liability Policies set forth on Section 4.24(a) of the Seller Disclosure Schedules.

(b) Negative Covenants of Seller. Without limiting the generality of the foregoing, during the Pre-Closing Period, except (i) as expressly consented to in writing by Buyer, (ii) as specifically contemplated by this Agreement or (iii) as set forth on Section 7.2(b) of the Seller Disclosure Schedules, Seller shall cause each Company not to, directly or indirectly, do any of the following:

(i) declare, set aside or pay any distributions or dividends (other than the Permitted Distributions), split, combine or reclassify any Shares or issue or authorize the issuance of any other Shares in respect of, in lieu of or in substitution for its Shares or Indebtedness; or purchase, redeem or otherwise acquire any Shares, or make any other changes with respect to its capital structure;

(ii) issue, deliver, sell, grant, pledge or otherwise dispose of or encumber any Shares or other Shares (other than in connection with the exercise or conversion of rights provided to holders of securities in existence as of the date hereof);

(iii) amend or adopt any amendments to its Organizational Documents;

(iv) acquire by merging or consolidating with, or by purchasing all or a substantial portion of the assets or any shares of, or by any other manner, any business or any Person or division thereof, or any assets that are material, in the aggregate, to the Companies (taken as a whole);

(v) sell, lease, license, pledge, or otherwise dispose of or otherwise encumber or subject (or allow to become subject) to any Encumbrance (other than a Permitted Encumbrance) any of its material properties or material Assets;

(vi) modify or amend any Material Contract, enter into any Contract that would be a Material Contract or waive, release or assign any material rights or claims under any Material Contract other than in the Ordinary Course of Business;

(vii) (A) incur any Indebtedness; (B) issue, sell or amend any Indebtedness; (C) guarantee or otherwise become liable for any Indebtedness of another Person; (D) make any material loans, advances or capital contributions to, or investment in, any other Person; (E) modify or cancel any material third-party Indebtedness; or (F) enter into any arrangement having the economic effect of the foregoing;

(viii) make any capital expenditures that, when added to all other capital expenditures made by or on behalf of such Company following the date hereof, exceed $25,000;

(ix) except as contemplated by this Agreement or as required to comply with applicable Laws or the terms of any Company Plan, with respect to any Company Employee (A) adopt, enter into, terminate or amend any Company Plan or any employee benefit plan, arrangement or agreement that would be an Company Plan if in existence on the date hereof; (B) enter into or amend any employment, bonus, retention, change in control or severance agreement with any Company Employee that would result in a liability of a Company in excess of $25,000, or increase the compensation or benefits of, or pay any bonus not required by an existing plan, arrangement or agreement to, any Company Employee, other than in the Ordinary Course of Business; (C) take any action other than in the Ordinary Course of Business to fund or in any other way secure the payment of compensation or benefits under any Company Plan; or (D) hire, promote, demote, or terminate the employment of any Company Employee with a base salary in excess of $150,000 (other than terminations for cause (as such term may be defined in an applicable employment agreement or severance plan));

(x) file any amendment to a material Tax Return, submit any material Tax election (or revocation thereof), designation (or revocation thereof), notification, or waiver to a Governmental Authority, submit any voluntary disclosure (or similar application) to a Governmental Authority, or waive any limitation period with respect to Taxes;

(xi) threaten, commence, pay, discharge, settle or satisfy any Action, except (A) to enforce a Company's rights under a Material Contract, (B) as otherwise permitted or required by this Agreement or (C) to enforce this Agreement;

(xii) terminate or fail to renew any Governmental Permit that is required for continued operations in the Ordinary Course of Business;

(xiii) fail to maintain insurance at levels at least comparable to current levels or otherwise in a manner inconsistent with past practice;

(xiv) discontinue any line of business or adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, recapitalization or other similar reorganization;

(xv) at any time within the 90-day period prior to the Closing Date, effectuate a mass termination action under the *Employment Standards Act 2000* or any similar employment standards legislation in any other jurisdiction; ;

(xvi) make any change to its accounting methods, principles or practices or to the Financials or to the working capital policies applicable to such Company, except as required by IFRS;

(xvii) except for entering into any nonexclusive license agreements in the Ordinary Course of Business, transfer or grant to any third party any rights with respect to any Intellectual Property;

(xviii) other than in the Ordinary Course of Business, write off as uncollectible, or establish any extraordinary reserve with respect to any billed or unbilled Account Receivable or other Indebtedness, in each case, outside existing reserves;

(xix) take any action that would or would reasonably be expected to (A) result in a Fundamental Representation or a Tax Representation to be untrue in any material respect; (B) result in any of the conditions set forth in Section 10.1(a) or Section 10.1(b) not being satisfied; or (C) otherwise prevent or materially delay or materially impair Seller's or any Company's ability to consummate the Contemplated Transactions on the terms contemplated by this Agreement;

(xx) amend, modify, extend, renew, or terminate any Real Property Leases or enter into any new lease, sublease, license, or other agreement for the use or occupancy of any real property;

(xxi) add or remove any Authorized Signatory; or

(xxii) authorize or enter into an agreement to do anything prohibited by the foregoing.

7.3 Negative Covenants of Buyer. During the Pre-Closing Period, Buyer shall not directly or indirectly take any action that would or would reasonably be expected to (a) result in a representation or warranty of Buyer under this Agreement or under any other document delivered pursuant to this Agreement to be untrue; (b) result in any of the conditions set forth in Section 10.2(a) or Section 10.2(b) not being satisfied at Closing; or (c) otherwise prevent or materially delay or materially impair their ability to consummate the Contemplated Transactions, on the terms contemplated by this Agreement.

7.4 Reasonable Best Efforts; Notification.

(a) Upon the terms and subject to the conditions set forth in this Agreement, except as otherwise provided in this Section 7.4, each Company, Seller and Buyer agree to use their respective reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Contemplated Transactions, including (a) preparing and filing all forms, registrations and notices that the Buyer and Seller agree are required to be filed under applicable Law, obtaining all necessary actions or nonactions, waivers, consents and approvals from Governmental Authorities and the making of all necessary registrations and filings (including filings with Governmental Authorities) and the taking of all reasonable steps as may be necessary to obtain any required approval, consent or waiver from, to provide notice to, or to avoid an Action by, any Governmental Authority; (b) obtaining all consents, approvals or waivers from third parties set out in Sections 4.5 and 5.3 of the Seller Disclosure Schedules; (c) defending any Actions challenging this Agreement or the consummation of the Contemplated Transactions, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Authority vacated or reversed; and (d) the execution and delivery of any additional instruments necessary to consummate the Contemplated Transactions.

(b) In furtherance and not in limitation of the foregoing, each Company, Seller and Buyer agree to use their respective reasonable best efforts to obtain the Competition Act Approval as promptly as practicable, including:

(i) the Buyer shall not withdraw the application for an Advance Ruling Certificate that was submitted by the Buyer on October 6, 2025 in respect of the Contemplated Transactions; and

(ii) within two (2) Business Days after the date of this Agreement, unless the Buyer and the Seller mutually agree in writing that no such pre-merger notification filings shall be made or agree to make such pre-merger notification filings at a later date, the Buyer and the Seller shall each submit, or cause to be submitted, their respective pre-merger notification filings under section 114(1) of the Competition Act in respect of the Contemplated Transactions.

(c) The Parties shall supply as promptly as practicable to the appropriate Governmental Entities any additional information and documentary material that may be requested by the appropriate Governmental Entities pursuant to the Competition Act.

(d) The Buyer, the Seller and their respective Affiliates shall not extend any waiting period or comparable period under the Competition Act or enter into any agreement with any Governmental Entity not to consummate the Contemplated Transactions, except with the prior written consent of the other Parties.

(e) The Buyer agrees to take all actions that are reasonably necessary or advisable or as may be reasonably required by any Governmental Entity to obtain the Competition Act Approval and expeditiously consummate the Contemplated Transactions. Without limiting the generality of the foregoing, Buyer shall, at Buyer's sole cost, comply with all restrictions and conditions, if any, imposed or requested by any Governmental Entity in connection with granting the Competition Act Approval or otherwise not opposing consummation of the Contemplated Transactions including (1) agreeing to sell, divest, hold separate, license, cause a third party to acquire, or otherwise dispose of, any Subsidiary, operations, divisions, businesses, product lines, customers or assets of the Buyer, its Affiliates or the Companies contemporaneously with or after the Closing and regardless of whether a third-party Buyer has been identified or approved prior to the Closing (a "**Divestiture**"), (2) taking or committing to take such other actions that may limit the Buyer, its Affiliates, or (after the Closing) the Companies' freedom of action with respect to, or its ability to retain, one or more of its operations, divisions, businesses, products lines, customers or assets, and (3) entering into any order, consent decree or other agreement to effectuate any of the foregoing; provided that neither Parent, the Companies nor Buyer shall be obligated to do any of the foregoing to the extent such restrictions or conditions relate to any operations conducted, or proposed to be conducted, in the United States.

(f) Each Party will provide information and assistance to the other Parties that such other Parties may reasonably request, and otherwise cooperate with the other parties, in respect of the Competition Act Approval. In furtherance and not in limitation of the foregoing, each Party will: (i) promptly notify the other Parties of any material written communication made to or received by such Party from any Governmental Entity regarding any of the Contemplated Transactions, and (ii) subject to applicable Law, if practicable, permit the other Parties to review in advance any proposed written communication to any such Governmental Entity and incorporate the other Parties' reasonable comments, not agree to participate in any substantive meeting or discussion with any such Governmental Entity in respect of any filing, investigation or inquiry concerning this Agreement or the Contemplated Transactions unless, to the extent reasonably practicable, it consults with the other Parties in advance and, to the extent permitted by such Governmental Entity, gives the other Parties the opportunity to attend, and furnish the other Parties with copies of all correspondence, filings and written communications between them and their Affiliates and their respective representatives on one hand and any such Governmental Entity or its respective staff on the other hand, with respect to this Agreement and the Contemplated Transactions. Notwithstanding the above, if any such material that one Party is required to share with the other Party under this Section 7.4(f) contains competitively sensitive information of the disclosing Party, any such competitively sensitive information shall be redacted prior to it being shared by the disclosing Party with the receiving Party, with the unredacted material being supplied by the disclosing Party's counsel to the receiving Party's counsel on an "External Counsel Only" basis.

(g) The Buyer shall be responsible for paying all fees payable to any Governmental Entity in connection with any filings made pursuant to the Competition Act in accordance with this Section 7.4.

7.5 Acquisition Proposals.

(a) Seller shall not, nor permit or authorize any Company or their respective Representatives to, directly or indirectly, initiate, solicit, encourage or otherwise facilitate (including by way of furnishing any confidential information) any inquiries or the making of any proposal or offer, with respect to (i) any merger, reorganization, share exchange, business combination, recapitalization, consolidation, liquidation, dissolution or similar transaction involving any Company; (ii) any sale, lease, exchange, mortgage, pledge, transfer or purchase of a significant portion of the Assets or any Asset material to the Business or Shares of any Company; (iii) any purchase or sale of, or tender offer or exchange offer for Shares or any other Shares of any Company (any such proposal or offer being hereinafter referred to as an "Acquisition Proposal"). Seller shall not permit or authorize any of its Representatives to, directly or indirectly, (x) engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions or conversations with, any Person relating to an Acquisition Proposal, or otherwise facilitate any effort or attempt to make or implement or accept an Acquisition Proposal; or (y) enter into any letter of intent or similar document contemplating, or enter into any agreement with respect to, an Acquisition Proposal.

(b) Seller shall promptly (and in any event within one (1) Business Day) notify Buyer in writing of the existence of any proposal, discussion, negotiation or inquiry received by any of them or any of their respective Representatives with respect to any Acquisition Proposal, and such notifying Person will immediately communicate to Buyer the material terms of any proposal, discussion, negotiation or inquiry which it or they may receive without disclosing the identity of the Person making such proposal or inquiry or engaging in such discussion or negotiation.

(c) Seller will, and will cause each Company and their respective Representatives to, immediately cease and cause to be terminated any existing activities, discussions or negotiations with any Person(s), other than Buyer and its Representatives, conducted heretofore with respect to any Acquisition Proposal. In addition, Seller shall promptly request that each Person, other than Buyer and its Representatives, who has heretofore received information in connection with such Person's consideration of an Acquisition Proposal return or destroy all confidential information heretofore furnished to such Person. Seller shall not permit or authorize any Company or any of their respective Representatives to release any third party from, or waive any provision of, any confidentiality or standstill agreement to which such Person is a party. Seller and each Company agrees that each will take the necessary steps to promptly inform its Representatives of its obligations in this Section 7.5.

(d) Notwithstanding anything in this Section 7.5, no activities by any Person relating to the purchase or sale of securities of Cineplex Inc., a change of control of Cineplex Inc., or any similar transaction shall be prohibited or restricted in any manner, provided that this Agreement remains in full force and effect in accordance with its terms following any such transaction.

7.6 Notices of Breaches. During the Pre-Closing Period, Seller will notify Buyer in writing (where appropriate and only with respect to matters occurring after the date hereof) of, and will deliver to Buyer true, correct and complete copies of any and all information or documents relating to, any event, transaction or circumstance, that existed or occurred on, prior to or after the date of this Agreement, as soon as practicable after it becomes known to Seller, that (x) causes or will cause any representation, warranty, covenant or agreement of Seller under this Agreement to be breached in a material respect such that a condition to Closing in Section 10.2 would not be timely satisfied; (y) renders or will render untrue in any material respect any representation or warranty of Seller contained in this Agreement as if the same were made on or as of the date of such event, transaction or circumstance such that a condition to Closing in Section 10.2 would not be timely satisfied; or (z) make the timely satisfaction of any condition to Closing impossible.

7.7 Tail Policy. No later than the Closing, Seller will cause each Company to obtain a prepaid tail policy for a period of six (6) years on terms and conditions providing substantially equivalent benefits as each of the Liabilities Policies (other than any occurrence-based policies that do not require the purchase of a prepaid tail policy in order for Buyer to make claims under such policies during such six (6)-year period after the Closing) (the "Tail Policies"), with the costs of such policy to be borne by such Company.

7.8 Financing.

(a) During the period from the date of this Agreement and continuing until the earlier of (x) the Closing and (y) the termination of this Agreement in accordance with its terms, subject to the limitations set forth in this Section 7.8 and Seller's compliance with Section 7.9, Buyer shall use, take, or cause to be taken, all actions and do, or cause to be done, all things reasonably necessary, proper or advisable to arrange, obtain and consummate the Financing at the Closing, on the terms and subject to the conditions expressly set forth in the Financing Documents and the Fee Letter. Such actions shall include (i) maintaining in full force and effect the Financing Documents in the form provided to Seller prior to or substantially concurrently with the execution of this Agreement, subject to amendments, restatements, supplements, modifications and substitutions thereto permitted under this Agreement, (ii) negotiating definitive agreements with respect thereto on the terms and conditions substantially consistent with such terms and conditions contained in the Financing Documents, as applicable, (iii) satisfying, or causing to be satisfied, on a timely basis all of the conditions to the obligations of the Debt Financing Sources or Equity Provider to fund the Debt Financing or Equity Financing, respectively, at the Closing set forth in the applicable Financing Document that are applicable to Buyer and within its control (or obtain a waiver thereof), (iv) upon satisfaction (or waiver) of the conditions set forth in the Financing Documents, consummating the Financing at or prior to the Closing and (v) if all conditions to the Equity Financing or Debt Financing are, or upon funding of the Equity Financing or Debt Financing, respectively, will be, satisfied, causing the other parties to applicable Financing Document to comply with their obligations thereunder and to fund at or prior to the Closing, the Equity Financing or Debt Financing, as applicable, required to satisfy the Required Amount.

(b) Subject to the terms and conditions of this Agreement, Buyer and Parent may agree to or permit any amendment, restatement, supplement or other modification to be made to, or any waiver of any provision or remedy under, the Financing Documents (and Fee Letter) and may obtain financing in substitution of all or a portion of the Financing so long as such amendment, restatement, modification, waiver or replacement would not, or would not reasonably be expected to, (i) reduce the net cash proceeds of the Financing, including any reduction in the aggregate principal amount of the Financing, such that the aggregate proceeds from the Financing would not be sufficient to pay the Required Amount at the Closing; (ii) impose new or additional conditions or otherwise expand, amend or modify any of the conditions to the receipt of the Financing or any other terms to the Financing, in each case, in a manner that would reasonably be expected to prevent or materially delay the ability of Buyer to consummate the Closing; or (iii) adversely and materially impact the ability of Buyer to enforce its rights against the other parties to the Financing Documents or otherwise to timely consummate the transactions contemplated by this Agreement (it being understood that Buyer may amend any Financing Document and Fee Letter to add lenders, investors, lead arrangers, bookrunners or other similar entities who had not executed such Financing Documents as of the date of this Agreement). Upon the written request of Seller, Buyer shall provide Seller reasonable detail of the current status of the efforts to obtain the Financing. For purposes of this Agreement, references to the "Debt Financing" or "Equity Financing shall include the financing contemplated by the Debt Commitment Letter or Securities Purchase Agreement as applicable, as amended, restated, supplemented, modified, waived or replaced in accordance with this Section 7.8(b), references to the "Debt Financing Sources" shall include each person that has not executed any Debt Commitment Letter as of the date hereof but becomes a party thereto after the date hereof in accordance with the terms of such Debt Commitment Letter and this Section 7.8(b), references to the "Debt Commitment Letter" or "Securities Purchase Agreement" shall include such agreement as amended, restated, supplemented, modified, waived or replaced in accordance with this Section 7.8(b), and references to the "Fee Letter" shall include such agreement as amended, restated, supplemented, modified, waived or replaced in accordance with this Section 7.8(b), in each case, unless the context otherwise provides.

(c) Buyer shall promptly notify Seller in writing (i) of any breach or default of which it is aware by any party to any Financing Document which would make unavailable all or any portion of the Financing necessary to fund the Required Amount on the Closing Date, (ii) of the receipt by Buyer or any of its Affiliates of any written notice from any Debt Financing Source or Equity Provider with respect to any actual breach, default, termination or repudiation by any party to any Financing Document, (iii) if for any reason Buyer believes in good faith that there is a material possibility that Buyer will not be able to obtain all or any portion of the Financing necessary to fund the Required Amount at the Closing, or (iv) of the termination or expiration of commitments under any Financing Document.

(d) Buyer shall indemnify and hold harmless the Companies and each of their respective Representatives from and against any and all Losses suffered or incurred by them in connection with any cooperation provided pursuant to Section 7.9 and any information utilized in connection therewith, except, to the extent that (i) such Losses are determined by a final non-appealable judgment of a court of competent jurisdiction to have arisen out of, or resulted from, the bad faith, fraud, gross negligence or wilful misconduct of the Companies or any of their respective Representatives, or (ii) arise from or are related to any information provided by Seller or the Companies. This Section 7.8(d) shall survive the consummation of the Contemplated Transactions and the Closing and any termination of this Agreement.

7.9 Cooperation with Financing. Upon request of Buyer, Seller shall cause the Companies, as applicable, to use their commercially reasonable efforts to provide such customary and timely cooperation to Buyer as Buyer may reasonably request in connection with the arrangement of the Financing; provided that, such requested cooperation and assistance does not unreasonably interfere with the ongoing business of any Company.

7.10 Permitted Distributions.

(a) The Companies shall be permitted to declare cash dividends or make intercompany advances or settlements in a manner substantially similar to the illustrative example set out in Section 7.10 of the Seller Disclosure Schedules (the "Permitted Distributions") on or before the Effective Time, in an amount necessary to result in the Closing Date Cash being equal to $0 at the Effective Time. For greater certainty, this Section 7.10 shall supersede anything in the Preliminary Closing Statement or Final Closing Statement to the extent there is any inconsistency between the two.

(b) Buyer shall take all reasonable steps which may be required to cause the Companies to pay and settle, to the extent not paid or settled prior to Closing, the Permitted Distributions (on or as soon as reasonably practicable after the Closing Date but in any event effective as of immediately prior to Closing). Notwithstanding anything herein to the contrary, the Seller will not be responsible for any income inclusion or Taxes resulting from the application of subsection 90(6) of the Tax Act (or any provincial equivalent) with respect to any Permitted Distribution, which, for greater certainty, means that such Taxes will not be reflected in the Final Closing Statement (or the preceding closing statements), the Seller will not have an obligation to pay or indemnify amounts in respect of such Taxes under Article VIII or Article XI and Taxes for all Pre-Closing Tax Periods for all purposes of this Agreement will be determined without regard to such income inclusion.

ARTICLE VIII
TAX MATTERS

8.1 Preparation of Tax Returns.

(a) Seller shall prepare, or cause to be prepared, all Income Tax Returns for each Company for all Tax periods ending on or before the Closing with an initial due date after the Closing Date (each, a "Pre-Closing Income Tax Return"). All Pre-Closing Income Tax Returns shall be prepared consistent with the past practice of each Company and in accordance with applicable Law. At least thirty (30) days prior to the due date thereof, Seller shall provide Buyer with a copy of each Pre-Closing Income Tax Return of each Company (which, in the case of any such Tax Return that such Company files on a consolidated basis with Seller shall consist of a pro forma Income Tax Return of such Company prepared in connection with the preparation of the consolidated Tax Return of Seller's Affiliated Group but shall exclude all other Tax Returns of the Affiliated Group and all related workpapers) and Seller shall consider in good faith any reasonable comments made to such Tax Return by Buyer.

(b) Buyer shall prepare or cause to be prepared, and file or cause to be filed, at Buyer's expense, all Tax Returns for each Company for all Tax periods that end on or before, or include, the Closing Date, with an initial due date after the Closing Date, and that are not Pre-Closing Income Tax Returns (each such Tax Return, a "Buyer Prepared Return"). All Buyer Prepared Returns shall be prepared consistent with the past practices of each Company and in accordance with applicable Law. At least 10 days prior to the due date thereof, Buyer shall provide Seller with a copy of a Buyer Prepared Return and Buyer shall consider in good faith any reasonable comments made to such Tax Return by Seller. At least five (5) days prior to the due date thereof, Seller shall pay to Buyer the amount of any Taxes shown as due on any Buyer Prepared Return which are imposed on each Company for any Pre-Closing Tax Period (which shall be determined for any Straddle Period in accordance with Section 8.2), except to the extent such Taxes were taken into account in the determination of the Net Working Capital or otherwise in the calculation of the Purchase Price.

8.2 Taxes for a Straddle Period. For all purposes under this Agreement (including the determination of any Tax refund), in the case of any Taxes that are payable with respect to a Straddle Period, the portion of any such Taxes that is allocable to the portion of such Straddle Period ending on the end of the day preceding the Closing Date shall: (a) in the case of Taxes other than those described in clause (b) below, be determined on the basis of a deemed closing of the Tax year of each Company as of the end of the Closing Date and be paid by Seller, and (b) in the case of real, personal and intangible property Taxes and other similar periodic or ad valorem Taxes, be deemed to be equal to the amount of all such Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of calendar days in such Straddle Period through and including the Closing Date, and the denominator of which is the number of calendar days in the entire Straddle Period, and be paid by Seller; *provided*, that exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the period ending on the Closing Date and the period beginning after the Closing Date in proportion to the number of days in each period.

8.3 Transfer Taxes. Notwithstanding Section 8.2, all real property transfer, or gains Tax, stamp Tax, sales Tax, stock transfer Tax, bulk sales or other similar Tax imposed as a result of the Contemplated Transactions (collectively, "Transfer Taxes"), and any penalties or interest or Tax Return preparation or filing expenses with respect to the Transfer Taxes, will be paid by Buyer. Buyer shall file all necessary Tax Returns and other documentation with respect to Transfer Taxes, and Seller shall provide reasonable cooperation in connection therewith.

8.4 Tax Claims.

(a) Buyer shall give prompt notice to Seller of the assertion of any claim, or the commencement of any suit, action or proceeding with respect to the determination or calculation of any Tax of each Company for a Pre-Closing Tax Period (any such claim, a "Tax Claim").

(b) Seller shall have the right, but not the obligation, to control (at Seller's expense) any Tax Claim with respect to Seller's Affiliated Group, and Buyer shall not participate in or control any such Tax Claim; *provided, however*, that, (i) Buyer shall have the right to reasonably participate in any such Tax Claim; (ii) Seller shall keep Buyer reasonably informed regarding such Tax Claim; and (iii) Seller shall not settle, compromise or abandon any such Tax Claim without obtaining the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed.

(c) Seller shall have the right (at Seller's expense) to control the conduct of any Tax Claim not described in Section 8.4(b); *provided, however*, that with respect to any such Tax Claim (i) Seller shall keep Buyer reasonably informed as to the status of such Tax Claim, (ii) Buyer shall be entitled to participate in any such Tax Claim (at Buyer's expense) and Seller shall not settle or otherwise compromise such Tax Claim without Buyer's written consent, which shall not be unreasonably withheld, conditioned or delayed. If Seller elects not to control any such Tax Claim, then Buyer shall control such Tax Claim; *provided, however*, that (A) Buyer shall keep Seller reasonably informed as to the status of such Tax Claim, and (B) Buyer shall not settle or otherwise compromise such Tax Claim without Seller's written consent, which shall not be unreasonably withheld, conditioned or delayed.

(d) In the event of any conflict between the provisions of this Section 8.4 and Section 11.5 with respect to Tax Claims, the provisions of this Section 8.4 shall control.

8.5 Cooperation. The parties shall reasonably cooperate, and shall cause their respective Affiliates, officers, employees, agents, auditors and representatives to reasonably cooperate, with respect to all Tax matters of each Company, including in preparing and filing all Tax Returns and resolving all audits, investigations, proceedings, Tax Claims or other disputes with respect to Taxes of such Company. The parties shall maintain and make available to each other all records reasonably necessary in connection with their obligations under the preceding sentence.

8.6 Refunds. Any and all refunds or credits of Taxes (including any interest paid or credited with respect thereto) and any investment tax credits of, or with respect to, any Company in respect of any Pre-Closing Tax Period will be for the account of the Seller. Buyer shall promptly inform Seller of any such refund or credit to which Seller may be entitled hereunder and, upon receipt of such refund or credit against Taxes or upon such refund or Tax credit being applied against Taxes otherwise payable by any Company, Buyer shall pay over to Seller, as an adjustment of Purchase Price, the amount of such refund or credit so received or applied, net of any Taxes payable in respect of such refund, credit or interest.

8.7 Post Closing Actions. Except as required by Law, no Company shall, none of Buyer or any Affiliate of Buyer shall or shall cause or permit any Company to (i) amend, refile or otherwise modify any Tax Return filed by a Company with respect to a Pre-Closing Tax Period, (ii) make or amend any Tax election with respect to (or that has effect on) any Company in respect of any Pre-Closing Tax Period, (iii) make any voluntary disclosure to, or enter into any voluntary disclosure agreement or similar program with, any Governmental Authority in respect of any Pre-Closing Tax Period, (iv) extend or waive any applicable statute of limitations or reassessment period with respect to (A) any Tax of a Company for any Pre-Closing Tax Period or (B) any Tax Return required to be filed by or with respect to a Company for any Pre-Closing Tax Period, or (v) adopt or change any accounting method or practice with respect to, or that has retroactive effect to, any Pre-Closing Tax Period, in each case without the prior written consent of Seller (not to be unreasonably withheld, conditioned or delayed). The Buyer shall cause the Companies to timely pay all Taxes in respect of any Pre-Closing Tax Periods reflected in the Final Closing Statement or timely paid by Seller under this Article VIII.

8.8 Mandatory Reporting. If, at any time after the Closing Date, Seller, on the one hand, or Buyer, on the other hand, determines, or becomes aware that an "advisor" (as is defined for purposes of section 237.3 or section 237.4 of the Tax Act) has determined, that the transaction contemplated by this Agreement, together with all transactions ancillary thereto, is subject to the reporting requirements under section 237.3 of the Tax Act or the notification requirements under section 237.4 of the Tax Act (or any comparable provisions under provincial tax legislation), including as a result of any future amendments or proposed amendments to such provisions (in this Section 8.8, the "Disclosure Requirements"), Seller or Buyer, as applicable, will promptly inform the other Parties of its intent, or its advisor's intent, to comply with the Disclosure Requirements and such Parties will cooperate in good faith with respect to preparing and filing the applicable information returns or notifications.

8.9 DDC Amalgamation.

(a) Seller acknowledges that the intention of Buyer, following the acquisition by Buyer of DDC, is to amalgamate with DDC, followed by a subsequent amalgamation of the newly amalgamated company with CDM in a manner such that the cost to the entity formed on the second amalgamation of the shares of CDMUS will be determined in accordance with subsection 87(11) of the Tax Act, including an addition to that cost determined under paragraphs 87(11)(b) and 88(1)(d) of the Tax Act.

(b) To assist in ensuring that the interests in the shares referred to above do not constitute "ineligible property" within the meaning of paragraph 88(1)(c) of the Tax Act, Seller represents and covenants that, except as otherwise provided for or required in this Agreement, Seller and any Restricted Person will not, without the prior written consent of Buyer, within 48 months following Closing, acquire or hold any shares of the capital stock of Parent, any debt of Parent, or any other security of Parent or a Restricted Entity.

ARTICLE IX
POST-CLOSING COVENANTS

9.1 Restrictive Covenants.

(a) Beginning on the Closing Date and continuing for a period of five (5) years thereafter (the "Restricted Period"), Seller shall not and Seller shall not permit any of its Affiliates to, directly or indirectly: (i) engage in or assist others in engaging in any business competitive to the Business (the "Restricted Business") anywhere in United States and Canada (the "Territory"); or (ii) have any interest in any Person that engages, directly or indirectly, in the Restricted Business in the Territory in any capacity, including as a partner, shareholder, director, officer, member, manager, employee, contractor, principal, agent, volunteer, intern, advisor, or consultant. Notwithstanding the foregoing, (i) Seller may own, directly or indirectly, solely as an investment, securities of any Person traded on any national or provincial securities exchange if none of them is a controlling Person of, or a member of a group which controls, such Person and they do not collectively, directly or indirectly, own five percent (5%) or more of any class of securities of such Person, (ii) Seller and its Affiliates may provide those services described in the Transition Services Agreement and Advertising Sales Agency Agreement, and (iii) Seller and its Affiliates may engage in activities similar to the Business, solely in Canada, (x) at movie theatres that are owned and/or operated by the Seller or its Affiliates (including in-theatre, location-based entertainment or in-facility advertising and displays) and (y) in respect of in-theatre advertising sales activities and displays located in movie theatres owned or operated by third parties.

(b) During the Restricted Period, Seller shall not and shall not permit any of its Affiliates to, directly or indirectly, hire, or solicit any employee of any Company, or encourage any employee to leave any Company's employment. Notwithstanding the foregoing, nothing in this Section 9.1(b) shall prohibit a Seller or any of its Affiliates from (x) placing a public advertisement of general solicitation not specifically targeted at employees of any Company; or (y) soliciting, inducing or otherwise offering employment to any individual whose employment with a Company has terminated at least twenty four (24) months prior to the time at which any contact with such person was initiated by such Seller or any of its Affiliates.

(c) During the Restricted Period, Seller shall not and shall not permit any of its Affiliates to, directly or indirectly, solicit or entice, or attempt to solicit or entice, any vendors or customers that provided any goods or services to or received any goods or services form any Company in the prior 12-month period for the purpose of diverting their business or services to or from any Company.

(d) From and after the Closing, the Parties shall not and shall not permit any of their respective Affiliates to, directly or indirectly, engage in any conduct in a professional capacity or make any public statement, whether in commercial or non-commercial speech, disparaging the other Party (or any of its directors, managers, officers, members, shareholders, employees, Affiliates, including the Companies as applicable, successors, assigns, agents and representatives) or any of their respective employees, products or services.

(e) Each Party acknowledges on behalf of itself and its Affiliates that a breach or threatened breach of this Section 9.1 or Section 13.16. would give rise to irreparable harm to the other Party and its Affiliates, including any Company as applicable, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by a Party or any of its Affiliates of any such obligations, the other Party or, in the case of Buyer, the Companies (which are express third-party beneficiaries of the covenants set forth in this Section 9.1 and Section 13.16) shall, in addition to any and all other rights and remedies that may be available to them in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, or specific performance (without any requirement to post bond).

(f) If Seller or any of its Affiliates violates any provision or covenant contained in this Section 9.1 or Section 13.16, then notwithstanding anything in this Agreement to the contrary, the Restricted Period for Seller shall be extended for a period of time equal to that period of time beginning when such violation commenced and ending when the activities constituting such violation have terminated.

(g) Seller on behalf of itself and its Affiliates acknowledge that the restrictions contained in this Section 9.1 are reasonable and necessary to protect the legitimate interests of Buyer and each Company and constitute a material inducement to Buyer to enter into this Agreement and consummate the Contemplated Transactions. In the event that any covenant contained in this Section 9.1 should ever be adjudicated to exceed the time, geographic, product, or service, or other limitations permitted by applicable Law in any jurisdiction or any Governmental Order, then any court is expressly empowered to reform such covenant, and such covenant shall be deemed reformed, in such jurisdiction to the maximum time, geographic, product, or service, or other limitations permitted by applicable Law or such Governmental Order. The covenants contained in this Section 9.1 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

(h) Seller and Buyer agree and confirm that: (i) no portion of the Purchase Price shall be attributable to the restrictive covenants set out in this Agreement; and (ii) the restrictive covenants set out in this Agreement are integral to this Agreement and have been granted to maintain or preserve the fair market value of the Shares sold by Seller under this Agreement.

9.2 Books and Records. Within 90 days from the Closing Date (or such earlier date as requested by Buyer after the Closing), the Seller shall deliver, or cause to be delivered, to the Buyer any corporate books and records and other property of the Companies in their possession or control. From and after the Closing Date, upon the reasonable request of Seller, Buyer shall use its commercially reasonable, good faith efforts to provide Seller and its representative with reasonable access to the books and records of the Business in its possession, including accounting and Tax records, pertaining or relating to the period prior to the Closing for Seller's reasonable purpose, including preparing Tax returns and defending any claim. Unless otherwise consented to in writing by Seller, Buyer and each Company shall, for a period of seven (7) years following the Closing Date or such longer period as retention is required by applicable Law, maintain such records.

9.3 Employees.

(a) Prior to the date hereof, Buyer has provided written notice to Seller, identifying any Company Employees whom it does not wish to retain after Closing (the "Exiting Employees"). Buyer shall provide an updated list of Exiting Employees to Seller five (5) days prior to Closing. Immediately prior to Closing, the applicable Company shall terminate the employment of the Exiting Employees. The applicable Company shall: (i) subject to Section 9.3(e), Section 9.3(f), Section 9.3(g), and Section 9.3(h), pay all applicable termination and severance costs and expenses, including all related employer and withholding taxes, to the Exiting Employees in accordance with, and up to the Severance Cap (the "Exiting Employee Payments"); and (ii) pay each Exiting Employee his or her annual short term incentive plan bonus for the 2025 fiscal year (pro-rated to the Closing Date) ("STIP") to the extent required by applicable Law (the "Exiting Employee STIP Payments"). For the avoidance of doubt, the Exiting Employee STIP Payments shall not count towards, and shall be excluded from the Severance Cap.

(b) From the Closing Date and through the Severance Period, Buyer shall or shall cause the Companies to provide to each Company Employee who is not an Exiting Employee (each, a "Continuing Employee") (i) a base salary that is no less than the base salary provided to such Continuing Employee immediately prior to the Closing, (ii) annual or short-term cash compensation opportunities that are substantially similar to those provided to such Continuing Employee immediately prior to the Closing, and (iii) subject to the terms of the Transition Services Agreement, employee benefits, policies and plan opportunities that are substantially similar, in the aggregate, to those provided to Continuing Employee immediately prior to the Closing Date.

(c) Subject to any prohibitions by any employee benefit plan provider utilized by Buyer, each Continuing Employee shall be given credit for all service with Seller, Company, or its predecessors, as applicable, to the extent such past service credit is recognized, for all employment purposes, including for severance benefits and vacation entitlement (but not for accrual of pension benefits, retiree welfare benefits or equity compensation), provided that any service credit under any employee benefit plans or arrangements of Buyer maintained by Buyer in which such Continuing Employees participate following the Closing Date or at the expiry of the Transition Services Agreement, as applicable, shall only be recognized for purposes of eligibility, vesting, and, with respect to short-term disability benefits only, entitlement to benefits. Notwithstanding the foregoing, nothing in this Section 9.3(c) shall be construed to require crediting of service that would result in a duplication of benefits.

(d) Effective as of the Closing Date or at the expiry of the Transition Services Agreement, as applicable, each Continuing Employee will cease to participate in and accrue benefits under the Company Plans and will commence, without interruption, to participate in and accrue benefits under Buyer employee benefits plans.

(e) Buyer and Seller shall each be responsible for fifty percent (50%) of: (i) the Exiting Employee Payments; and (ii) all applicable termination and severance costs and expenses, including all related employer and withholding taxes of any Continuing Employee who leaves the employ of any Company within one hundred and eighty (180) days following Closing (the "Severance Period") for any reason other than a constructive dismissal resulting from Buyer's failure to offer or honour the substantially similar terms of employment Buyer is required to offer as detailed above in Section 9.3(b) and Section 9.3(c)) (the "Post-Closing Exiting Employee Payments", and together with the Exiting Employee Payments, the "Qualified Severance Payments"); *provided, however*, that Seller's liability for Qualified Severance Payments and other termination costs pursuant to this Section 9.3 shall not in any event exceed $2,500,000 in the aggregate (the "Severance Cap"). For the avoidance of doubt, Buyer shall fund all Post-Closing Exiting Employee Payments. Following Closing, if a Continuing Employee leaves the employ of any Company during the Severance Period for any reason (other than as a result of constructive dismissal resulting from Buyer's failure to offer or honour substantially similar terms of employment that Buyer is required to offer as detailed above in Section 9.3(b) and Section 9.3(c)), Buyer shall provide written notice to Seller within five (5) Business Days of such departure of (A) the name of the Company Employee; (B) the date such Company Employee left the employ of such Company; and (C) the amount of the Post-Closing Exiting Employee Payment owed to such Company Employee.

(f) On the date that is sixty (60) days (or if such date is not a Business Day, the next Business Day) following Closing, Buyer shall provide written notice to Seller of all Post-Closing Exiting Employee Payments paid by the applicable Company to date and all Exiting Employee Payments paid by the Companies after Closing, together with any evidence of such payments reasonably requested by Seller (the "First True-Up Statement"). Within five (5) Business Days of Seller's receipt of the First True-Up Statement, if the Post-Closing Exiting Employee Payments are not equal to the Exiting Employee Payments paid by the Companies prior to Closing, then:

(i) Seller shall pay Buyer, by wire transfer to an account specified by Buyer, fifty percent (50%) of the amount by which the sum of the Post-Closing Exiting Employee Payments and the Exiting Employee Payments paid by the Companies after Closing exceed the Exiting Employee Payments paid by the Companies prior to Closing, if applicable; or

(ii) Buyer shall pay Seller, by wire transfer to an account specified by Seller, fifty percent (50%) of the amount by which the Exiting Employee Payments paid by the Companies prior to Closing exceeds the sum of the Post-Closing Exiting Employee Payments and the Exiting Employee Payments paid by the Companies after Closing, if applicable;

provided, however, that Seller's liability for Qualified Severance Payments and other termination costs pursuant to this Section 9.3 shall not in any event exceed the Severance Cap.

(g) On the date that is one hundred and twenty (120) days following Closing (or if such date is not a Business Day, the next Business Day), Buyer shall provide written notice to Seller of all Qualified Severance Payments paid by the applicable Company after Closing to that date excluding any Qualified Severance Payments included in the First True-Up Statement, together with any evidence of such payments reasonably requested by Seller (the "Second True-Up Statement"), if any. Within five (5) Business Days of Seller's receipt of the Second True-Up Statement, Seller shall pay Buyer, by wire transfer to an account specified by Buyer, fifty percent (50%) of the Qualified Severance Payments paid by the applicable Company and included in the Second True-Up Statement (which, for greater certainty, shall exclude any Qualified Severance Payments included in the First True-Up Statement); *provided, however*, that Seller's liability for Qualified Severance Payments and other termination costs pursuant to this Section 9.3 shall not in any event exceed the Severance Cap.

(h) On the date that is one hundred and eighty (180) days following Closing (or if such date is not a Business Day, the next Business Day), Buyer shall provide written notice to Seller of all Qualified Severance Payments paid by the applicable Company after Closing to that date excluding any Qualified Severance Payments included in the First True-Up Statement or the Second True-Up Statement, together with any evidence of such payments reasonably requested by Seller (the "Final True-Up Statement"), if any. Within five (5) Business Days of Seller's receipt of the Final True-Up Statement, Seller shall pay Buyer, by wire transfer to an account specified by Buyer, fifty percent (50%) of the Qualified Severance Payments paid by the applicable Company and included in the Final True-Up Statement (which, for greater certainty, shall exclude any Qualified Severance Payments included in the First True-Up Statement or the Second True-Up Statement); *provided, however*, that Seller's liability for Qualified Severance Payments and other termination costs pursuant to this Section 9.3 shall not in any event exceed the Severance Cap.

(i) Notwithstanding anything set forth below or herein to the contrary, nothing in this Agreement shall: (i) create any obligation on the part of Buyer or any Company to continue the employment of any Company Employee as of the Closing or for any definite period following the Closing; (ii) preclude Buyer or any Company from changing or modifying the compensation paid to any Company Employee at any time following the Closing; or (iii) preclude Buyer or any Company from altering, amending, or terminating any Company Plan, or the participation of any of the Company Employees in such plans, at any time following the Closing.

9.4 Consents. Each Party agrees to cooperate in obtaining, and use its reasonable best efforts to obtain, any other consents and approvals that may be required in connection with the Contemplated Transactions; *provided*, *however*, that, notwithstanding anything herein to the contrary, no Party shall be required to compensate any third Person, commence or participate in litigation or offer or grant any accommodation (financial or otherwise) to any third Person in order to obtain any such consent or approval.

9.5 Release of Claims.

(a) Seller, for itself and its Representatives, hereby irrevocably and unconditionally releases, acquits and forever discharges each Company, Buyer, and their respective Representatives (each of whom is an express third-party beneficiary of the provisions set forth in this Section 9.5) from any and all liabilities, costs, expenses, losses, damages, claims, Actions, litigation, arbitrations, and other causes of actions that any of them has had, now has or may ever have and that arise from, through or in any manner relating to any event, action, occurrence or omission arising prior to and through the Closing, including in respect of such their direct or indirect ownership of the Shares and any Company; *provided, however*, that Seller does not release Buyer from any obligations arising under or related to this Agreement or any other Transaction Document, or any Company from any obligation to pay such Person for wages accrued through the Closing Date for services actually performed through such date (if any). This release is an absolute release of all claims, whether known or unknown, liquidated or unliquidated, matured or unmatured, and shall be effective regardless of Seller or any of its Representatives learning of any new, additional, or different information or facts after the date hereof.

(b) Buyer, for itself, its Representatives and its Affiliates, hereby irrevocably and unconditionally releases, acquits and forever discharges Seller, its Affiliates and their respective Representatives from any and all liabilities, costs, expenses, losses, damages, claims, Actions, litigation, arbitrations, and other causes of actions that any of them has had, now has or may ever have and that arise from, through or in any manner relating to any event, action, occurrence or omission arising prior to and through the Closing; *provided, however*, that Buyer does not release Seller from any obligations arising under or related to this Agreement or any other Transaction Document. This release is an absolute release of all claims, whether known or unknown, liquidated or unliquidated, matured or unmatured, and shall be effective regardless of Buyer or any of its Representatives learning of any new, additional, or different information or facts after the date hereof.

9.6 **Audited Financial Statements**. Seller has provided to Buyer complete and correct copies of the audited consolidated balance sheet of the Companies as of December 31, 2023 and 2024, and the related audited consolidated statements of operations, statements of comprehensive income (loss), statements of changes in equity, statements of cash flows of the Companies, for the fiscal years then ended, accompanied in each case by any notes thereto and the report of the independent registered certified public accounting firm (collectively, the "**Audited Financials**"), which will be prepared in accordance with IFRS. Seller shall use commercially reasonably efforts to provide additional financial and operating information as reasonably requested by Buyer to allow Buyer to prepare and timely file with the SEC the historical financial information of the Companies. The Audited Financials (i) will be complete and correct in all material respects and will have been prepared in accordance with the books and records of the Companies; and (ii) will have been prepared in accordance with IFRS. The Audited Financials will fairly present, in all material respects, the consolidated financial position of the Companies as at the respective dates thereof and the consolidated results of the operations of the Companies for the respective periods covered thereby. The Audited Financials will contain adequate reserves for the realization of all Assets and for all liabilities in accordance with IFRS as of the dates thereof.

ARTICLE X
CONDITIONS TO CLOSING

10.1 Conditions to Obligations of Seller. The obligation of Seller to consummate the Contemplated Transactions shall be subject to the fulfilment, or waiver by Seller in its sole discretion, at or prior to the Closing, of each of the following conditions:

(a) Accuracy of Representations and Warranties. The representations and warranties of Buyer and Parent contained in this Agreement that are qualified by a reference to materiality, or any similar qualifier (any such qualification referred to herein as a "Materiality Qualifier") shall be true and correct in all respects when made as written (including the Materiality Qualifier) and on and as of the Closing Date as if made at and as of the Closing Date (other than representations and warranties that are qualified by a reference to a Materiality Qualifier which address matters only as of a certain date, which shall have been true and correct as written (including the Materiality Qualifier) as of such certain date), and the representations and warranties of Buyer and Parent set forth in this Agreement that are not qualified by a Materiality Qualifier shall be true and correct in all material respects when made and on and as of the Closing Date as if made on and as of such time (except for those representations and warranties that are not so qualified and relate to a particular date, which representations and warranties shall be true and correct in all material respects as of such date).

(b) Performance of Covenants. All of the covenants and obligations that Buyer or Parent is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been performed and complied with in all material respects.

(c) No Governmental Order or Proceeding. There shall be no Governmental Order in existence that prohibits or materially restrains or would cause to be rescinded following completion the Contemplated Transactions.

(d) No Legal Proceeding. No legal proceeding shall have been commenced or threatened in writing by any third Person against Parent, Buyer, any Company or Seller, which seeks to prevent the Closing and/or otherwise restrain, enjoin or prohibit the consummation of the Contemplated Transactions.

(e) Competition Act Approval. The Competition Act Approval shall have been obtained.

(f) Additional Deliveries. Buyer shall have delivered the other documents and agreements and shall have taken such other actions as required pursuant to Section 3.3 of this Agreement.

10.2 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the Contemplated Transactions shall be subject to the fulfilment, or waiver by Buyer in its sole discretion, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Seller and each Company contained in this Agreement that are qualified by a reference to a Materiality Qualifier (including a Seller Material Adverse Effect) shall be true and correct in all respects as written (including the Materiality Qualifier) when made and on and as of the Closing Date as if made at and as of the Closing Date (other than representations and warranties that are qualified by a reference to a Materiality Qualifier which address matters only as of a certain date, which shall have been true and correct as written (including the Materiality Qualifier) as of such certain date) and the representations and warranties of Seller and each Company set forth in this Agreement that are not qualified by a Materiality Qualifier shall be true and correct in all material respects when made and on and as of the Closing Date as if made on and as of such time (except for those representations and warranties that are not so qualified and relate to a particular date, which representations and warranties shall be true and correct in all material respects as of such date).

(b) Covenants. All of the covenants and obligations that any Company or Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been performed and complied with in all material respects.

(c) No Governmental Order or Proceeding. There shall be no Governmental Order in existence that prohibits, materially restrains or would cause to be rescinded following completion the Contemplated Transactions.

(d) No Legal Proceeding. No legal proceeding shall have been commenced by any third Person against Parent, Buyer, any Company or Seller, which seeks to prevent the Closing and/or otherwise restrain, enjoin or prohibit the consummation of the Contemplated Transactions.

(e) Financing. Buyer shall have received the Financing, the net proceeds of which are sufficient for Buyer to pay the Required Amount.

(f) Seller Material Adverse Effect. As of the Closing Date, there shall not have been any Seller Material Adverse Effect since the date of this Agreement, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, would reasonably be expected to result in a Seller Material Adverse Effect.

(g) Competition Act Approval. The Competition Act Approval shall have been obtained.

(h) Additional Deliveries. Each Company and Seller shall have delivered the other documents and agreements and shall have taken such other actions as required pursuant to Section 3.4 of this Agreement.

ARTICLE XI
INDEMNIFICATION

11.1 Indemnification of Buyer Group Members. Seller shall indemnify and hold harmless each Buyer Group Member from and against any and all Losses incurred by such Buyer Group Member in connection with or arising from:

(a) any failure by Seller to perform any covenant or agreement in this Agreement;

(b) any breach of any warranty or the inaccuracy of any representation of Seller contained in Article IV or Article V;

(c) the failure of the Companies to pay in full (to the extent not reflected in the Final Closing Statement or paid by Seller under Section 8.1) (i) any and all Taxes of the Companies in respect of any Pre-Closing Tax Periods, and (ii) any and all Taxes of any Person imposed on a Company as a transferee or successor, by Contract or pursuant to any applicable Law, which Taxes relate to an event or transaction occurring, or the use of property, before the Closing; or

(d) those matters set forth on Section 4.16(m)(i) of the Seller Disclosure Schedules.

11.2 Indemnification by Buyer. Buyer agrees to indemnify and hold harmless each Seller Group Member from and against any and all Losses incurred by such Seller Group Member in connection with or arising from:

(a) any failure by Buyer to perform any of its covenants or agreements in this Agreement or any Buyer Ancillary Agreement; or

(b) any breach of any warranty or the inaccuracy of any representation of Buyer contained or referred to in this Agreement or in any certificate delivered by or on behalf of Buyer hereunder.

11.3 Time for Claims; Limitations on Indemnification.

(a) (i) The representations and warranties of the Parties contained in Section 4.1 (Organization of Each Company; Organizational Documents), Section 4.2 (Capitalization of Each Company, Title to Shares), Section 4.2(a) (Subsidiaries and Investments), Section 4.4 (Authority of the Companies), Section 4.20 (No Finder), Section 5.1 (Organization, Standing and Power), Section 5.2 (Authority; Execution and Delivery; Enforceability), Section 5.3 (No Conflicts; Consents), Section 5.4 (The Shares), Section 6.1 (Organization of Parent and Buyer), Section 6.2 (Authority of Parent and Buyer), and Section 6.5 (No Finder) (collectively, the "Fundamental Representations") shall survive for the applicable statute of limitations following the Closing Date.

(b) The representations and warranties of the Parties contained in Section 4.21 (Taxes) (the "Tax Representations") shall survive until the date that is 90 days after the expiration of the last of the applicable limitation periods contained in the Tax Act or any other applicable Law with respect to the Losses in question (such period to include any period extended by any agreement, waiver or arrangement with any Governmental Authority).

(c) The representations and warranties of the Parties contained in this Agreement other than (i) the Fundamental Representations, and (ii) the Tax Representations shall survive the Closing until the 18-month anniversary of the Closing Date, at which time such representations and warranties shall expire and be of no further force or effect.

(d) Each covenant contained in this Agreement shall survive in accordance with its terms or the statute of limitations, whichever is sooner.

(e) Notwithstanding the foregoing, the Indemnitor's obligation to indemnify any Loss that is the subject of a Claim Notice for which Indemnified Party has notified the Indemnitor in accordance with the requirements of Section 11.4 on or prior to the date such indemnification would otherwise terminate in accordance with this Section 11.3 shall continue until the amount of recovery hereunder shall have been determined pursuant to this Article XI, and the Indemnified Party shall have been reimbursed for the full amount of all Loss and Expense related thereto in accordance with the terms hereof.

(f) The indemnification obligations under Section 11.1(b): (i) shall not accrue until and unless the aggregate amount of all Losses for which Seller would be liable under Section 11.1(b) exceeds the sum of $300,000 (the "Deductible"), in which event Seller shall only pay or be liable for Losses in excess of the Deductible; and (ii) the maximum amount of Losses to which Buyer Group Members are entitled hereunder for indemnification under Section 11.1(b) shall not exceed ten percent (10%) of the Purchase Price; *provided*, *however*, that the limitations contained in this Section 11.3(f), clauses (i) and (ii) above, shall not apply to (i) any Fundamental Representation, (ii) any Tax Representation or (iii) any fraud on the part of any Company or Seller (or either one of them).

(g) With respect to Losses otherwise indemnifiable pursuant to this Article XI, the maximum amount for which Seller shall be liable under this Article XI shall be the amount of the Purchase Price, except in the case of fraud on the part of any Company or Seller (or either one of them), in which case there shall be no such limit on Losses from Seller.

(h) The Buyer Group Members shall not have any right to indemnification under this Agreement with respect to Taxes to the extent such Taxes relate to the unavailability in any Tax period commencing on or after the Closing Date or in any portion of a Straddle Period commencing on or after the Closing Date of any Tax losses, credits, expenses, expenditures, deductions, depreciation, undepreciated capital cost, capital cost, adjusted cost base, cost basis, paid-up capital, or any other Tax attribute arising in a Pre-Closing Tax Period or the portion of any Straddle Period ending on the Closing Date.

11.4 Notice of Claims.

(a) Any Buyer Group Member or Seller Group Member seeking indemnification hereunder (the "Indemnified Party") shall give to the party or parties obligated to provide indemnification to such Indemnified Party (the "Indemnitor") a notice (a "Claim Notice") describing in reasonable detail the facts giving rise to any claim for indemnification hereunder, and the amount (if then known) or method of computation of the amount of such claim, and a reference to the provision of this Agreement or any other agreement, document or instrument executed hereunder or in connection herewith upon which such claim is based; *provided*, that a Claim Notice in respect of any action at law or suit in equity by or against a third Person (a "Third Party Claim") as to which indemnification will be sought shall be given promptly after the action or suit is commenced; *provided further*, that failure to give such notice shall not relieve the Indemnitor of its obligations hereunder except to the extent it shall have been materially prejudiced by such failure.

(b) After the giving of any Claim Notice pursuant hereto, the amount of indemnification to which an Indemnified Party shall be entitled under this Article XI shall be determined: (i) by the written agreement between the Indemnified Party and the Indemnitor; (ii) by a final judgment or decree of any court of competent jurisdiction; or (iii) by any other means to which the Indemnified Party and the Indemnitor shall agree.

11.5 Third Party Claims.

(a) Assumption of Defense, etc. The Indemnitor will be entitled to participate in the defense of any Third Party Claim that is the subject of a notice given by the Indemnified Party pursuant to Section 11.4(a). In addition, the Indemnitor will have the right to assume the defense of the Indemnified Party against the Third Party Claim at the sole cost and expense of the Indemnitor with counsel reasonably satisfactory to the Indemnified Party so long as (i) the Indemnitor gives written notice to the Indemnified Party within twenty (20) days after the Indemnitor has received notice of the Third Party Claim that the Indemnitor will assume such defense, (ii) the Third Party Claim involves only money damages and does not seek an injunction or other equitable relief against the Indemnified Party, (iii) the Indemnified Party has not been advised by counsel that an actual or potential conflict exists between the Indemnified Party and the Indemnitor in connection with the defense of the Third Party Claim, (iv) there is no criminal or regulatory enforcement Action in connection with such Third Party Claim, and (v) the Indemnitor conducts the defense of the Third Party Claim in a reasonably prudent manner. The Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim. The Indemnitor shall keep the Indemnified Parties reasonably informed with respect to the status and nature of such defense, including by providing copies of all materials received or submitted in connection with such defense, and shall in good faith allow the Indemnified Parties to make comments regarding the materials submitted in such defense. Nothing herein shall require the Indemnitor to disclose any materials that may result in the loss of the attorney-client privilege or attorney work product privilege.

(b) Limitations on Indemnitor. If the Indemnitor assumes the defense of such Third Party Claim, it shall not cease to reasonably and prudently conduct the defense of the Third Party Claim prior to final conclusion, or consent to the entry of any final judgment without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed; *provided* that the Indemnified Party shall give its consent to a cessation, judgment, compromise or settlement of the Third Party Claim (other than with respect to any Third Party Claim with respect to Taxes) that (i) provides for the payment by the Indemnitor of money as sole relief for the claimant (without recourse to any of the Indemnified Parties or their respective Affiliates) and does not impose any material restrictions on the Business or liabilities, financial or otherwise, or restrictions on any Parent Indemnified Parties or Shareholder Indemnified Parties, as applicable, of any nature, (ii) results in the full and general release of all Parent Indemnified Parties or Shareholder Indemnified Parties, as applicable, from all liabilities arising or relating to, or in connection with, the Third Party Claim, and (iii) involves no finding or admission of any violation of applicable Law or the rights of any Person and has no effect on any other claims that may be made against the Indemnified Party.

(c) Indemnified Party's Control. If the Indemnitor does not deliver the notice contemplated by clause (i) of Section 11.5(a) within twenty (20) days after the Indemnitor receives the notice of the Third Party Claim, or otherwise at any time the conditions set forth in Section 11.5(a)(i)-(v) are not satisfied, the Indemnified Party may defend, and may consent to the entry of any judgment or enter into any compromise or settlement with respect to, the Third Party Claim with the consent of the Indemnitor, such consent not to be unreasonably withheld, conditioned or delayed.

(d) Reasonable Cooperation. The party not in control of the prosecution or defense of a Third Party Claim will reasonably cooperate with the other party in the conduct of the prosecution or defense of such Third Party Claim.

Notwithstanding the foregoing, the procedures for all Tax Claims shall be governed by Section 8.4 (and not this Section 11.5).

11.6 Payment of Claims. Any payment to any Buyer Group Member in respect of any claim for indemnification under this Article XI or Section 7.3 shall be paid by Seller directly within five (5) Business Days after such claim is resolved in accordance with this Agreement.

11.7 Effect of Disclosure Schedule Exceptions on Indemnification. No indemnification claim shall be made with respect to any matter to the extent that such matter is specifically disclosed as a claim or potential claim on the Schedules.

11.8 Exclusive Remedy. The rights set forth in this Article XI will, except for cases of fraud or claims for equitable remedies with respect to any covenant or agreement contained in this Agreement or any other Transaction Document, be the exclusive remedy of an Indemnified Party with respect to any and all claims relating to the subject matter of this Agreement and the other Transaction Documents and the Contemplated Transactions. In furtherance of the foregoing, each Indemnified Party hereby waives, from and after the Closing, to the fullest extent permitted under applicable law, any and all rights, claims and causes of action it may have against any Indemnitor, Seller, any Company or any of Seller's Affiliates or Buyer or any of Buyer's Affiliates, as applicable, relating to the operation of the Business or relating to the subject matter of this Agreement and the other Transaction Documents and the Contemplated Transactions, whether arising under or based upon any federal, state, local or foreign statute, law, ordinance, rule or regulation or otherwise (including any right, whether arising at law or in equity, to seek indemnification, contribution, cost recovery, damages, or any other recourse or remedy, including as may arise under common law). Notwithstanding the foregoing or anything else in this Agreement to the contrary, (a) in the case of fraud, the Indemnified Parties shall have all remedies available under this Agreement or otherwise without giving effect to any of the limitations or waivers contained herein and (b) nothing herein shall limit any party's right to seek and obtain equitable remedies with respect to any covenant or agreement contained in this Agreement or any other Transaction Document, as applicable.

11.9 **Indemnification Net of Insurance**. The amount of any Losses sustained by any Indemnified Party shall be reduced by any amount received by such Indemnified Party with respect thereto under any insurance coverage, net of all reasonable costs, expenses and premium increases incurred by such Person in seeking and obtaining such insurance recovery, and the Indemnified Party shall be required to pursue any available insurance claims if commercially reasonable to do so and if the Indemnitor agrees to pay all expenses incurred to pursue such claim. If a Buyer Group Member receives an amount under insurance coverage with respect to Losses sustained at any time subsequent to any indemnification payment pursuant to this Article XI, then such Indemnified Party shall reimburse the Indemnitor within fifteen (15) days of receipt by the Indemnified Party of such amount.

11.10 **Materiality Qualifiers**. Notwithstanding anything to the contrary in this Agreement, for purposes of this Article XI, the determination of (a) whether any representation warranty or covenant has been breached and (b) the amount of any Losses will be made without giving effect to any "Seller Material Adverse Effect" qualification or any other Materiality Qualifier contained in the representations, warranties, covenants or agreements herein.

11.11 **Mitigation**. Each party shall take, and shall cause each Seller Group Member and Buyer Group Member, as applicable, to take, commercially reasonable efforts to mitigate its respective Losses that are indemnifiable or recoverable hereunder or in connection herewith, upon and after becoming aware of any fact or event that has given rise to any such Losses.

ARTICLE XII
TERMINATION

12.1 **Termination**. This Agreement may be terminated prior to the Closing upon the occurrence of any of the following events:

(a) by the mutual written consent of Seller and Buyer;

(b) by either Seller or Buyer, upon the issuance of a final, non-appealable Governmental Order permanently restraining or prohibiting the sale of the Shares;

(c) by Buyer, in the event of any material breach by Seller or by any Company of any of Seller's or the Company's agreements, representations or warranties contained herein and, if such breach is curable, the failure of Seller or any Company to cure such breach within twenty (20) days after receipt of notice from Buyer requesting such breach to be cured;

(d) by Seller, in the event of any material breach by Buyer of any of Buyer's agreements, representations or warranties contained herein and, if such breach is curable, the failure of Buyer to cure such breach within twenty (20) days after receipt of notice from Seller requesting such breach to be cured;

(e) by Buyer, if Buyer determines, after its discussions with its financial advisor and acting reasonably, that the condition in Section 10.2(e) cannot be satisfied as a result of a failure to consummate the Debt Financing and/or Equity Financing, in which case, Buyer shall reimburse Seller for its verified out-of-pocket legal costs, up to a maximum of $250,000, by wire transfer to an account specified by Seller within five (5) Business Days of Seller notifying Buyer in writing of its verified out-of-pocket legal costs; or

(f) by either party after the Outside Date, upon written notice to the other, in the event that the Closing has not occurred on or before the Outside Date; *provided*, *however*, that the right to terminate this Agreement under this Section 12.1(f) shall not be available to (i) any party whose failure to take any action required to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur prior to such date, or (ii) Buyer, if Buyer had previously determined that the condition in Section 10.2(e) could not be satisfied as a result of a failure to consummate the Debt Financing and/or the Equity Financing.

12.2 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.1 shall give written notice of such termination to the other Parties.

12.3 Effect of Termination. Except as set forth in this Article XII, Section 13.1 or Section 13.16, in the event this Agreement is validly terminated in accordance with Section 12.1, this Agreement shall forthwith become void and there shall be no liability on the part of any party to this Agreement; *provided*, *however*, that, subject to Article XI, nothing in this Agreement shall relieve Seller or Buyer from liability for (i) wilful breach of any of its representations, warranties, covenants or agreements contained in this Agreement prior to termination, (ii) fraud on the part of a Party to this Agreement, or (iii) a failure of any Party to consummate the Contemplated Transactions on the date the Closing should have occurred pursuant to Section 3.1; provided, further, in no event shall Buyer or Seller be liable for such damages in excess of the Purchase Price. If Buyer fails to pay any monetary damages payable pursuant to this Section 12.3 when due, Parent shall also pay to Seller all of Seller's and the Company's reasonable and documented out-of-pocket costs and expenses (including legal fees) in connection with all Actions to collect such amounts. If Seller fails to pay any monetary damages payable pursuant to this Section 12.3 when due, Seller or the Company shall also pay to Parent all of Parent's reasonable and documented out-of-pocket costs and expenses (including attorneys' fees) in connection with all Actions to collect such amounts.

ARTICLE XIII
GENERAL PROVISIONS

13.1 No Public Announcements. Prior to the Closing, (i) no public announcement or disclosure will be made by any party with respect to the subject matter of this Agreement or the Contemplated Transactions without the prior written consent of Parent and Seller, and (ii) Parent and Seller shall agree on the form and content of any public announcement or disclosure with respect to this Agreement or the Contemplated Transactions prior to the issuance thereof, including providing each other the opportunity to review and comment upon, and use all reasonable efforts to agree upon, any such public announcement or disclosure, and no such public announcement or disclosure shall be issued prior to such consultation and prior to considering in good faith any such comments; *provided, however*, that the provisions of this Section 13.1 will not prohibit (a) any disclosure required by any applicable Law, including any disclosure necessary or desirable to provide proper disclosure under the securities laws or under any rules or regulations of any securities exchange on which the securities of such Party may be listed or traded or (b) any disclosure made in connection with the enforcement of any right or remedy relating to, or the performance of any obligation arising under, this Agreement or the Contemplated Transactions.

13.2 **Notices**. All notices or other communications required or permitted hereunder shall be in writing and shall be deemed given or delivered (a) on the date delivered when delivered by hand, (b) on the Business Day following the date on which notice is sent by a reputable overnight courier service, or (c) by email, with confirmation of receipt, if given as follows:

If to Seller, to:

Cineplex Entertainment Limited Partnership
1303 Yonge Street
Third Floor
Toronto, Ontario
Canada M4T 2Y9
Attention: Thomas Santram
Email: thomas.santram@cineplex.com and legalnotices@cineplex.com

with a copy (which shall not constitute notice hereunder) to:

Goodmans LLP
333 Bay Street
Suite 3400
Toronto, Ontario
Canada M5H 2S7
Attention: Tim Heeney and Brandon Hoffman
Email: theeney@goodmans.ca and bhoffman@goodmans.ca

If to Parent or Buyer, to:

Creative Realities, Inc.
13100 Magisterial Drive, Suite 102
Louisville, KY 40223
Attention: Richard Mills, Chief Executive Officer
Email: rick.mills@cri.com

with a copy (which shall not constitute notice hereunder) to of:

Taft Stettinius & Hollister LLP
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402
Attention: Bradley Pederson
Email: BPederson@taftlaw.com

or to such other address as such party may indicate by a notice delivered to the other party hereto.

13.3 **Successors and Assigns; No Third Party Beneficiaries**. Neither Buyer nor Parent may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Seller, except that Buyer and Parent shall be permitted to assign, in whole or in part, this Agreement and its rights hereunder: (a) as security to one or more lenders or purchasers of debt securities; and (b) to any Person that acquires, directly or indirectly, the business, assets, or securities of Parent, Buyer or any Company after the Closing. Seller may not assign any of its rights or delegate any of their obligations under this Agreement without the prior written consent of Buyer. No delegation of any obligation under this Agreement shall relieve the delegating Person, who shall remain primarily liable for the applicable obligation. This Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective permissible successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any Person, including any Company Employees, any right, remedy or claim under or by reason of this Agreement, other than the Parties and their permitted successors and assigns, and the Indemnified Parties, who are intended third party beneficiaries of this Agreement.

13.4 **Entire Agreement; Amendments**. This Agreement, the other Transaction Documents and the Schedules referred to herein and the documents delivered pursuant hereto contain the entire understanding of the parties hereto with regard to the subject matter contained herein, and supersede all prior agreements, understandings or letters of intent between or among the Parties. No representation, warranty, promise, inducement or statement of intention has been made by either party that is not embodied in this Agreement or the other Transaction Documents, as applicable, and neither party shall be bound by, or liable for, any alleged representation, warranty, promise, inducement or statement of intention not embodied herein or therein. Each party represents and agrees that: (a) it did not rely on any statement, oral or written, that is not contained in this Agreement or the other Transaction Documents, as applicable, in making its decision to execute this Agreement or the other Transaction Documents, as applicable; and (b) neither party nor any other Person shall make any claim, assert any defense or otherwise take any position inconsistent with the foregoing in connection with any dispute hereunder or the other Transaction Documents, as applicable, or arising with respect hereto or thereto among any of the foregoing or for any other purpose. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by Buyer and Seller.

13.5 **Disclosure of Personal Data**. Each Party represents that, prior to the Closing Date, it has and shall: (i) collect, use and disclose the Disclosed Personal Data solely for the purposes of reviewing, determining whether to proceed with, completing and concluding the transactions contemplated by this Agreement; (ii) where required by the Quebec Privacy Act, not communicate Disclosed Personal Data without the consent of the individual concerned, unless authorized to do so by the Quebec Privacy Act; (iii) protect and safeguard the confidentiality of the Disclosed Personal Data using measures and security safeguards appropriate to the sensitivity of the Disclosed Personal Data and in accordance with applicable Law; (iv) where required by the Quebec Privacy Act, destroy the Disclosed Personal Data if it was no longer necessary for concluding the transactions contemplated by this Agreement; and (v) if the transactions contemplated by this Agreement do not proceed or are not concluded, to return the Disclosed Personal Data to the disclosing Party, or destroy it, within a reasonable time. From and after the Closing Date, each Party agrees to: (i) use and disclose the Disclosed Personal Data solely for the purposes for which the information was initially collected from or in respect of the individuals or was otherwise permitted to be used or disclosed before the transactions contemplated by this Agreement were completed, unless the receiving Party provides notice and/or obtains consent, in accordance with applicable Law, to use or disclose the Disclosed Personal Data for other purposes, or the use or disclosure of the Disclosed Personal Data is otherwise required or permitted by applicable Law; (ii) protect the Disclosed Personal Data by security safeguards appropriate to its sensitivity; and (iii) give effect to withdrawals of consent to collect, use or disclose the Disclosed Personal Data, subject to and in accordance with applicable Law. Where Privacy Laws require impacted individuals to be notified of the transactions contemplated by this Agreement, Buyer will notify the affected individuals that such transactions have been completed and that their Personal Data has been disclosed to Buyer.

13.6 Execution in Counterparts.

(a) This Agreement may be executed in counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

(b) The exchange of copies of this Agreement and of signature pages by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by such electronic means shall be deemed to be original signatures for all purposes.

13.7 Further Assurances. From time to time, as and when requested by any party, each party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions, as such other party may reasonably deem necessary or desirable to consummate the Contemplated Transactions, including, in the case of Seller, executing and delivering to Buyer such assignments, deeds, bills of sale, consents and other instruments as Buyer or its counsel may reasonably request as necessary or desirable for such purpose.

13.8 Governing Law. This Agreement, the other Transaction Documents and any disputes arising hereunder or thereunder or with respect hereto or thereto shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario without giving effect to any choice of law or conflict of law rules or provisions (whether of the Province of Ontario or any other jurisdiction) that would result in the application of the laws or statute of limitations of a jurisdiction other than the Province of Ontario.

13.9 Parent Guarantee.

(a) The Parent irrevocably and unconditionally guarantees the timely and complete performance of, and compliance with, each and every term, covenant, condition and provision that are to be performed and complied with by the Buyer under all Transaction Documents to which the Buyer is a party, as the same may be amended, changed, replaced or otherwise modified from time to time (the "Guaranteed Obligations").

(b) If the Buyer fails at any time to perform or comply with any of its Guaranteed Obligations, then the Parent shall perform or comply with such Guaranteed Obligation in accordance with the applicable Transaction Document.

(c) The Parent is jointly and severally liable with the Buyer for the performance or compliance of the Guaranteed Obligations. The Seller is not bound to proceed against the Buyer or pursue any rights or remedies against the Buyer before being entitled to pursue its rights against the Parent.

(d) The liability of the Parent is absolute and unconditional irrespective of: (i) any lack of validity or enforceability of any term, covenant, condition or provision of any Transaction Document against the Buyer; (ii) any change in the time or times for, or place or manner of performance or any other indulgences which the Seller may grant to the Buyer; (iii) any amendment, restatement, replacement, supplement, modification or renewal of any Transaction Document; (iv) any assignment of all or any part of any Transaction Document; (v) any limitation of status or power, disability, incapacity or other circumstance relating to the Buyer, including any bankruptcy, insolvency, winding-up, dissolution, liquidation, restructuring or other creditors' proceedings involving or affecting the Buyer; or (vi) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Buyer or any reorganization, amalgamation or other change in the existence of the Buyer.

(e) The liabilities and obligations of the Parent under this Section 13.9 are subject to the terms of each of the Transaction Documents and shall not exceed any liability or obligation of the Buyer to the Seller under any particular Transaction Document. The Parent is entitled to all rights, privileges and defences available to the Buyer with respect to any obligation or liability, including all provisions of this Agreement relating to limitation of liability and the resolution of disputes.

13.10 Specific Performance. The Parties agree that irreparable damage would occur if any of the provisions of this Agreement or any Transaction Document are not performed in accordance with their specific terms or are otherwise breached, including if the Parties fail to take any action required of them hereunder to consummate the Contemplated Transactions. It is accordingly agreed that, in addition to any other applicable remedies at law or equity permitted by this Agreement, the Parties and the third-party beneficiaries of this Agreement shall be entitled to an injunction or injunctions, without proof of damages, to prevent breaches of this Agreement or any Transaction Document and to enforce specifically the terms and provisions of this Agreement and any Transaction Document. If any Party brings any action to enforce specifically the performance of the terms and provisions hereof by any other Party, the Party bringing such action may unilaterally extend the Outside Date (notwithstanding the termination provisions of Section 12.1), so long as the Party bringing such action is not in breach of the Agreement at such time, and is seeking an order for an injunction or injunctions or to specifically enforce the terms and provisions of this Agreement. Each Party hereto agrees that it will not oppose the granting of an injunction, specific performance or other equitable relief on the basis that (i) the other Party has an adequate remedy at law or (ii) an award of specific performance is not an appropriate remedy for any reason at law or in equity. In no event shall the exercise of a Party's right to seek specific performance pursuant to this Section 13.10 reduce, restrict or otherwise limit any Party's right to terminate this Agreement pursuant to Section 12.1 or pursue all applicable remedies at law, including seeking money damages in accordance with the terms of this Agreement. Each of the Parties hereby waives (x) any defenses in any action for specific performance that a remedy at law would be adequate and (y) any requirement under any law to post a bond or other security as a prerequisite to obtaining equitable relief.

13.11 Dispute Resolution

(a) Subject to and in accordance with the provisions of this Section 13.11, and except for any dispute regarding the Preliminary Closing Statement and related components thereof, which will be handled in accordance with Section 2.3(c), any and all differences, disputes, claims or controversies arising out of or in any way connected with this Agreement, whether arising before or after the expiration or termination of this Agreement, and including its negotiation, execution, delivery, enforceability, performance, breach discharge, interpretation and construction, existence, validity and any damages resulting therefrom or the rights, privileges, duties and obligations of the Parties under or in relation to this Agreement (including any dispute as to whether an issue is arbitrable) shall be referred to arbitration under the *Arbitration Act, 1991* (Ontario).

(b) The right to seek to arbitrate any matter hereunder or to seek any remedy which may have been available pursuant to an arbitration hereunder shall be brought within 3 years from the date at which the facts giving rise to the subject matter proposed to be arbitrated were known or ought to have been known with reasonable diligence by the Party seeking to invoke the arbitration or seeking the remedy or such longer period provided for in Section 13.8.

(c) The governing law of this Agreement under Section 13.8 shall be the applicable procedural law of the arbitration.

(d) A Party desiring arbitration hereunder shall give written notice of arbitration to the other Party containing a concise description of the matter submitted for arbitration (a "Notice of Arbitration"). Within 10 days after a Party gives a Notice of Arbitration, the Parties shall jointly appoint a single arbitrator (the "Arbitrator"). If the Parties fail to appoint an Arbitrator within such time, an Arbitrator shall be designated by a judge of the Ontario Superior Court of Justice upon application by either Party.

(e) The Arbitrator may determine: all questions of law, fact and jurisdiction with respect to the dispute or the arbitration (including questions as to whether a dispute is arbitrable) and all matters of procedure relating to the arbitration. The Arbitrator may grant legal and equitable relief (including injunctive relief), award costs (including legal fees and the costs of the arbitration), and award interest and, without limiting the generality of the foregoing or the Arbitrator's jurisdiction at law, may:

(i) determine any question of good faith, dishonesty or fraud arising in the dispute;

(ii) order any Party to furnish further details of that Party's case, in fact or in law;

(iii) proceed in the arbitration notwithstanding the failure or refusal of any Party to comply with this Section 13.11 or with the Arbitrator's orders or directions, or to attend any meeting or hearing, but only after giving that Party written notice that the Arbitrator intends to do so;

(iv) receive and take into account written or oral evidence tendered by the Parties that the Arbitrator determines is relevant, whether or not strictly admissible in law;

(v) make one or more interlocutory determinations and/or interim awards;

(vi) hold meetings and hearings, and make a decision (including a final decision) in Ontario (or elsewhere with the concurrence of the parties to the arbitration);

(vii) order the Parties to produce to the Arbitrator, and to each other for inspection, and to supply copies of, any documents or classes of documents in their possession or power that the Arbitrator determines to be relevant;

(viii) order the preservation, storage, sale or other disposal of any property or thing under the control of any of the Parties; and

(ix) make interim orders to secure all or part of any amount in dispute in the arbitration.

(f) The arbitration shall take place in the City of Toronto at such place and time as the Arbitrator may fix. The arbitration shall be conducted in English. Within 20 days of the appointment of the Arbitrator, the Parties shall agree on the procedure to be followed for the arbitration, failing which the Arbitrator shall determine the appropriate procedure, in accordance with the principles of natural justice, to be followed. It is agreed that the arbitration and all matters arising directly or indirectly (including all documents exchanged, the evidence and the award) shall be kept strictly confidential by the Parties and shall not be disclosed to any third party except as may be compelled by applicable Law.

(g) The decision of the Arbitrator shall be final and binding upon the Parties in respect of all matters relating to the arbitration, the conduct of the Parties during the proceedings, and the final determination of the issues in the arbitration.

(h) There shall be no appeal from the determination of the Arbitrator to any court. Judgment upon any award rendered by the Arbitrator may be entered in any court having jurisdiction thereof.

(i) The costs of any arbitration hereunder shall be borne by the Parties in the manner specified by the Arbitrator in his or her determination.

(j) Submission to arbitration under this Section 13.11 is intended by the Parties to preclude any action in matters, which may be arbitrated hereunder, save and except for enforcement of any arbitral award hereunder.

13.12 **Severability**. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Laws, the parties waive any provision of Laws which renders any such provision prohibited or unenforceable in any respect.

13.13 **Interpretations**. For purposes of this Agreement, unless the context otherwise requires: (i) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation;" (ii) the word "or" is not exclusive; (iii) references to Articles, Sections, Exhibits and Schedules mean the Articles and Sections of, and the Exhibits and Schedules attached to, this Agreement; (iv) reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement; (v) reference to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder; (vi) all references herein to "dollars" or "$" are to Canadian dollars; (vii) all references herein to any period of days shall mean the relevant number of calendar days unless otherwise specified; (viii) words in the singular shall be held to include the plural and vice versa; (ix) words of one gender shall be held to include the other genders as the context requires; and (x) the terms "hereof," "herein," "hereunder," "hereto" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement and not to any particular provision of this Agreement. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is referenced in beginning the calculation of such period will be excluded (for example, if an action is to be taken within two (2) days after a triggering event and such event occurs on a Tuesday, then the action must be taken by Thursday); if the last day of such period is a non-Business Day, the period in question will end on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including." This Agreement and the other Transaction Documents shall be construed without regard to any presumption or rule requiring construction or interpretation against the drafting party. Any reference in this Agreement to a document or matter being made available to Buyer or provided to Buyer means that such document or matter has been posted to the Data Room; *provided* that access to the document or matter through the Data Room has been granted to Buyer at least five Business Days before the date of this Agreement.

13.14 **Headings**. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

13.15 **Expenses**. Except as otherwise set forth herein, all expenses, including without limitation all legal, accounting, financial advisory, consulting and other fees, incurred in connection with the negotiation or effectuation of this Agreement or the Contemplated Transactions, shall be the obligation of the respective party incurring such expenses; *provided*, *however*, that all expenses incurred by Seller or any Company in connection with the Contemplated Transactions shall be borne by Seller.

13.16 **Confidential Nature of Information**. Each party agrees that it will treat in confidence all documents, materials and other information which it shall have obtained regarding: (a) any Company; (b) any other party during the course of the negotiations leading to the consummation of the Contemplated Transactions (whether obtained before or after the date of this Agreement); (c) the investigation provided for herein; or (d) the preparation of this Agreement and other related documents, and if the Contemplated Transactions are not consummated, each party will return to the other parties all copies of non-public documents and materials which have been furnished in connection therewith. Such documents, materials and information shall not be communicated to any third Person (other than such party's respective counsel, accountants, financial advisors or lenders). No party shall use any confidential information in any manner whatsoever except solely for the purpose of evaluating, negotiating and consummating the Contemplated Transactions; *provided, however*, that after the Closing, Buyer may use or disclose any confidential information with respect to or about any Company or otherwise reasonably related thereto. The obligation of each party to treat such documents, materials and other information in confidence shall not apply to any information which: (i) is or becomes available to such party from a source other than any other party or its representatives (other than confidential information of any Company or information provided in violation of this Agreement); (ii) is or becomes available to the public other than as a result of disclosure by such party or its agents or in violation of this Agreement; (iii) is required to be disclosed under applicable Laws or judicial process, but only to the extent it must be disclosed; or (iv) such party reasonably deems necessary to disclose to obtain any of the consents or approvals contemplated hereby.

13.17 **Extension; Waiver**. At any time prior to the Closing, either Seller on the one hand, or Buyer, on the other hand, may: (a) extend the time for the performance of any of the obligations or other acts of the other Person; (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement; or (c) waive compliance with any of the agreements or conditions contained in this Agreement, but such waiver of compliance with such agreements or conditions shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party granting such extension or waiver. Neither the waiver by any of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure by any of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder.

[Remainder of Page Intentionally Blank; Signatures Follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

SELLER:

Cineplex Entertainment Limited Partnership

By Its General Partner, Cineplex Entertainment Corporation

By: /s/ Dan McGrath

Name: Dan McGrath

Title: Chief Operating Officer

By: /s/ Thomas Santram

Name: Thomas Santram

Title: General Counsel

PARENT:

Creative Realities, Inc.

By: /s/ Richard Mills

Name: Richard Mills

Title: Chief Executive Officer

BUYER:

1001372953 ONTARIO INC.

By: /s/ Richard Mills

Name: Richard Mills

Title: Chief Executive Officer

Exhibit 10.2

SECURITIES PURCHASE AGREEMENT

SECURITIES PURCHASE AGREEMENT (the "**Agreement**"), dated as of October 15, 2025, by and among Creative Realities, Inc., a Minnesota corporation (the "**Company**"), and the investors listed on the Schedule of Buyers attached hereto (individually, a "**Buyer**" and collectively, the "**Buyers**").

WHEREAS:

A. The Company and the Buyers are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Rule 506 of Regulation D ("**Regulation D**") as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended (the "**1933 Act**");

B. The Buyers, severally, and not jointly, wish to purchase from the Company, and the Company wishes to sell to the Buyers, upon the terms and conditions stated in this Agreement, an aggregate of 30,000 shares (the "**Preferred Shares**") of a newly created series of preferred stock, with a stated value of $1,000 per share (the "**Preferred Stock**"), designated Series A Convertible Preferred Stock, which shall be convertible into shares of the Company's Common Stock, par value $0.01 per share (the "**Common Stock**"; the shares of Common Stock issuable upon conversion of the Preferred Shares being referred to as the "**Conversion Shares**"), in accordance with the terms of the Company's Certificate of Designations, Preferences and Rights of the Series A Convertible Preferred Stock, in the form attached hereto as Exhibit A (as the same may be amended, restated, modified or supplemented and in effect from time to time, the "**Certificate of Designations**");

C. At or prior to the Closing (as defined below), the parties hereto shall execute and deliver a Registration Rights Agreement, substantially in the form attached as Exhibit B (as the same may be amended, restated, modified or supplemented and in effect from time to time, the "**Registration Rights Agreement**"), pursuant to which the Company will agree to provide certain registration rights under the 1933 Act and the rules and regulations promulgated thereunder, and applicable state securities laws;

D. Prior to the Closing, the Company will file the Certificate of Designations with the Secretary of State of the State of Minnesota; and

E. The Preferred Shares and the Conversion Shares are collectively referred to herein as the "**Securities**"

NOW THEREFORE, the Company and the Buyers hereby agree as follows:

1. PURCHASE AND SALE OF PREFERRED SHARES.

a. Purchase of Preferred Shares. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6 and 7 below, on the Closing Date (as defined in Section 1.b), the Company shall issue and sell to each Buyer, and each Buyer severally agrees to purchase from the Company, the number of Preferred Shares set forth opposite such Buyer's name in the third column on the Schedule of Buyers (the "**Closing**"). The per share purchase price (the "**Purchase Price**") of the Preferred Shares at the Closing shall be equal to $1,000 (representing an aggregate Purchase Price of Thirty Million Dollars ($30,000,000) for the aggregate of 30,000 Preferred Shares to be purchased at the Closing).

b. The Closing Date. The date and time of the Closing (the "**Closing Date**") shall be 10:00 a.m., Boston time, on the Business Day on which all of the conditions to the Closing set forth in Sections 6 and 7 have been satisfied or waived (or such later or earlier date as is mutually agreed to in writing by the Company and the Buyers). The Closing shall occur on the Closing Date at the offices of Blank Rome LLP, 125 High Street, Boston, MA 02110, or at such other place as the Company and the Buyers may collectively designate in writing. For purposes of this Agreement, "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in the City of Boston are authorized or required by law to remain closed.

c. Form of Payment. (i) On or before the Closing Date, each Buyer shall pay the applicable Purchase Price to the Company for the Preferred Shares to be issued and sold to such Buyer on the Closing Date, by wire transfer of immediately available funds in accordance with the Company's written wire instructions, less any amount withheld by the Lead Investor pursuant to Section 4.h, and (ii) within two (2) Business Days of the Closing Date, the Company shall deliver to each Buyer, a book entry statement or stock certificate (or book entry statements or stock certificates representing such numbers of Preferred Shares as such Buyer shall request) (the "**Preferred Stock Certificates**") representing (in the aggregate) the number of Preferred Shares that such Buyer is purchasing on the Closing Date, duly executed on behalf of the Company and registered in the name of such Buyer or its designee(s) on the books and records of the Company.

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

Each Buyer represents and warrants, severally and not jointly, as of the date of this Agreement and the Closing Date, with respect to only itself, that:

a. Investment Purpose. Such Buyer (i) is acquiring the Preferred Shares purchased by such Buyer hereunder and (ii) upon any conversion of such Preferred Shares, will acquire the Conversion Shares then issuable, for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered under, or exempted from, the registration requirements of the 1933 Act; provided, however, that by making the representations herein, such Buyer does not agree to hold any of the Securities for any minimum or other specific term and reserves the right to assign, transfer or otherwise dispose of any of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act.

b. Accredited Investor Status. Such Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D.

c. Reliance on Exemptions. Such Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of the United States federal and state securities laws and that the Company is relying upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions.

d. Information. Such Buyer and its advisors, if any, have been furnished with the opportunity to review the Transaction Documents (as defined herein), the SEC Documents (as defined herein) and all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities that have been requested by such Buyer. Such Buyer and its advisors, if any, have been afforded the opportunity to ask questions of the Company. Neither such inquiries nor any other due diligence investigations conducted by such Buyer or its advisors, if any, or its representatives shall modify, amend or affect such Buyer's right to rely on the Company's representations and warranties contained in Section 3 below. Such Buyer acknowledges that the Company, its employees, agents and attorneys are not making any representations or warranties to such Buyer in making such Buyer's investment decision with respect to the Securities to be issued on the Closing Date other than such representations and warranties set forth in the Transaction Documents, including as set forth in Section 3 below, and the Certificate of Designations. Such Buyer can bear the economic risk of a total loss of its investment in the Securities being offered and has such knowledge and experience in business and financial matters so as to enable it to understand the risks of and investment decision with respect to its investment in the Securities.

e. No Governmental Review. Such Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

f. Transfer or Resale. Such Buyer understands that, except as provided in the Registration Rights Agreement, (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Buyer shall have delivered to the Company an opinion of counsel, in a generally acceptable form, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Buyer provides the Company with reasonable assurance that such Securities have been or can be sold, assigned or transferred pursuant to Rule 144 promulgated under the 1933 Act (or a successor rule thereto) ("**Rule 144**"); and (ii) neither the Company nor any other Person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder. Notwithstanding the foregoing, the Securities may be pledged in connection with a bona fide margin account or other loan or financing arrangement secured by the Securities, in each case with a pledgee that is an "accredited investor" as defined in Rule 501(a) under the 1933 Act. As used in this Agreement, "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or a government or any department or agency thereof or any other legal entity.

g. Authorization; Enforcement; Validity. To the extent such Buyer is a corporation, partnership, limited liability company or other entity, such Buyer is a validly existing corporation, partnership, limited liability company or other entity and has the requisite corporate, partnership, limited liability or other organizational power and authority to purchase the Securities pursuant to this Agreement. To the extent such Buyer is an individual, such Buyer has the legal capacity to purchase the Securities pursuant to this Agreement. This Agreement and the Registration Rights Agreement have been duly and validly authorized (as applicable), executed and delivered on behalf of such Buyer and are valid and binding agreements of such Buyer, enforceable against such Buyer in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity. The agreements entered into and documents executed by such Buyer in connection with the transactions contemplated hereby and thereby as of the Closing will have been duly and validly authorized (as applicable), executed and delivered on behalf of such Buyer as of the Closing, and will be valid and binding agreements of such Buyer enforceable against such Buyer in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity.

h. General Solicitation. Such Buyer represents that to the knowledge of such Buyer, no Securities were offered or sold to it by means of any form of general solicitation, and such Buyer is not, to such Buyer's knowledge, purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or, to the knowledge of such Buyer, any other general solicitation or general advertisement. Such Buyer has not become interested in the offering of the Securities as a result of any registration statement of the Company filed with the SEC or any other securities agency or regulator.

i. Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, such Buyer has not, nor has any Person acting on behalf of or pursuant to any understanding with such Buyer, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Buyer first received knowledge of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Notwithstanding the foregoing, in the case of a Buyer that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Buyer's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Buyer's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other Persons party to this Agreement or to such Buyer's representatives, including, without limitation, its officers, directors, partners, legal and other advisors, employees, agents and Affiliates, such Buyer has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to the identification of the availability of, or securing of, available shares to borrow in order to effect Short Sales or similar transactions in the future. "**Short Sales**" means all "short sales" as defined in Rule 200 of Regulation SHO under the 1934 Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

j. Residency. Such Buyer is a resident of that jurisdiction specified below its address on the Schedule of Buyers.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants, as of the date of this Agreement and the Closing Date to each of the Buyers that:

a. Organization and Qualification. Set forth in Schedule 3.a is a true and correct list of the entities in which the Company, directly or indirectly, owns capital stock or holds an equity or similar interest, together with their respective jurisdictions of organization and the percentage of the outstanding capital stock or other equity interests of each such entity that is held by the Company or any of the Subsidiaries. Other than with respect to the entities listed on Schedule 3.a, the Company does not directly or indirectly own any security or beneficial ownership interest, in any other Person (including through joint venture or partnership agreements) or have any interest in any other Person. Each of the Company and the Subsidiaries is a corporation, limited liability company, partnership or other entity and is duly organized or formed and validly existing in good standing under the laws of the jurisdiction in which it is incorporated or otherwise organized and has the requisite corporate, partnership, limited liability company or other organizational power and authority to own its properties, and to carry on its business as now being conducted. The Company is duly qualified to do business and is in good standing in every jurisdiction in which its ownership of property, or the nature of the business conducted by the Company makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not be reasonably expected to have a Material Adverse Effect. As used in this Agreement, "**Material Adverse Effect**" means any material adverse effect on (i) the business, properties, assets, operations, results of operations or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or on the transactions contemplated hereby or on the agreements and instruments to be entered into in connection herewith (including the legality, validity or enforceability thereof), or on the authority or ability of the Company to perform its obligations under the Transaction Documents (as defined in Section 3.b) or the Certificate of Designations or (ii) the rights and remedies of any of the Buyers under the Transaction Documents or the Certificate of Designations. Except as set forth in Schedule 3.a, the Company holds all right, title and interest in and to 100% of the capital stock, equity or similar interests of each of the Subsidiaries, in each case, free and clear of any Liens (as defined below), including any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of free and clear ownership by a current holder, and no such Subsidiary owns capital stock or holds an equity or similar interest in any other Person. For purposes of this Agreement, "**Lien**" means, with respect to any asset, any mortgage, lien, pledge, hypothecation, charge, security interest, encumbrance or adverse claim of any kind or any restrictive covenant, condition, restriction or exception of any kind that has the practical effect of creating a mortgage, lien, pledge, hypothecation, charge, security interest, encumbrance or adverse claim of any kind; and "**Subsidiary**" means any entity in which the Company, directly or indirectly, owns any of the outstanding capital stock, equity or similar interests or voting power of such entity at the time of this Agreement or at any time hereafter, whether directly or through any other Subsidiary.

b. Authorization; Enforcement; Validity. The Company has the requisite corporate power and authority to enter into and perform its obligations under each of this Agreement, the Registration Rights Agreement, the Irrevocable Transfer Agent Instructions (as defined in Section 5), and each of the other agreements to which it is a party or by which it is bound and which is entered into by the parties hereto in connection with the transactions contemplated hereby and thereby (collectively, the "**Transaction Documents**"), and under the Certificate of Designations, and to issue the Securities in accordance with the terms hereof and of the other Transaction Documents and of the Certificate of Designations. The execution and delivery of the Transaction Documents and the Certificate of Designations by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby, including the issuance of the Preferred Shares and the reservation for issuance and the issuance of the Conversion Shares, have been duly authorized by the Board of Directors of the Company (the "**Company Board**") and no further consent or authorization is required by the Company, the Company Board or the Company's shareholders other than the Shareholder Approval with respect to the removal of beneficial ownership limitations to which the issuance of Common Stock upon conversion of Preferred Shares is subject. None of the Company Board or the board of directors, board of managers or other governing body of the Subsidiaries has authorized or approved, or taken any action to authorize or approve, any transaction to pay, repay, redeem or refinance any indebtedness of the Company or any of the Subsidiaries prior to, substantially concurrent with, or following the Closing, other than as set forth in Schedule 3.b and the payment of trade payables in the ordinary course of business, consistent with past practices. This Agreement and the other Transaction Documents dated of even date herewith have been duly executed and delivered by the Company and constitute the valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity. As of the Closing, the Transaction Documents dated after the date of this Agreement and on or prior to the date of the Closing shall have been duly executed and delivered by the Company and shall constitute the valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity. Prior to the Closing Date, the Certificate of Designations will have been filed with the Secretary of State of the State of Minnesota and will be in full force and effect, enforceable against the Company in accordance with its terms.

c. Capitalization. The authorized capital stock of the Company consists of (i) 116,666,666 shares of common stock, $0.01 par value, of which (A) 66,666,666 have been designated as Common Stock ("**Common Stock**"), 10,518,932 of which are outstanding as of the date of this Agreement, (B) 2,500,000 shares are reserved for issuance pursuant to the Company's equity incentive and stock purchase plans, including 3,045,180 shares issuable pursuant to outstanding awards under such plans, and (C) 5,364,802 shares are issuable and reserved for issuance pursuant to securities issued or to be issued (other than the Preferred Shares, and other than pursuant to the Company's stock option, restricted stock and stock purchase plans) exercisable or exchangeable for, or convertible into, shares of Common Stock, and (ii) 50,000,000 shares of undesignated preferred stock, $0.01 par value, none of which are outstanding as of the date of this Agreement. All of such outstanding or issuable shares have been, or upon issuance will be, validly issued and are, or upon issuance will be, fully paid and nonassessable. Except as disclosed in Schedule 3.c, (A) no shares of the capital stock of the Company are subject to preemptive rights or any other similar rights or any Liens suffered or permitted by the Company; (B) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable or exercisable for, any shares of capital stock of the Company or any of the Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of the Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of the Subsidiaries, or options, warrants or scrip for rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exercisable or exchangeable for, any shares of capital stock of the Company or any of the Subsidiaries; (C) there are no agreements or arrangements under which the Company or any of the Subsidiaries is obligated to register the sale of any of their securities under the 1933 Act (except the Registration Rights Agreement); (D) there are no outstanding securities or instruments of the Company or any of the Subsidiaries that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of the Subsidiaries is or may become bound to redeem a security of the Company and no other shareholder or similar agreement to which the Company or any of the Subsidiaries is a party; (E) there are no securities or instruments containing anti-dilution or similar provisions that will or may be triggered by the issuance of the Securities; and (F) the Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. The Company has furnished to each Buyer or and made publicly available on the SEC's EDGAR system (as defined below) true and correct copies of the Company's Articles of Incorporation, as amended and as in effect on the date this representation is made (the "**Articles of Incorporation**"), and the Company's Amended and Restated Bylaws, as amended and as in effect on the date this representation is made (the "**Bylaws**"), and all documents and instruments containing the terms of all securities convertible into, or exercisable or exchangeable for, Common Stock, and the material rights of the holders thereof in respect thereto.

d. Issuance of Securities. The Preferred Shares are duly authorized and, upon issuance in accordance with the terms hereof, (i) will be validly issued, fully paid and non-assessable, and will be free from all taxes and Liens with respect to the issuance thereof and (ii) the holders thereof will be entitled to the rights set forth in the Certificate of Designations. At least 13,000,000 shares of Common Stock (subject to adjustment pursuant to the Company's covenant set forth in Section 4.f) have been duly authorized and reserved for issuance upon conversion of the Preferred Shares. Upon conversion in accordance with the Certificate of Designations the Conversion Shares will be validly issued, fully paid and nonassessable and free from all taxes and Liens (other than those restrictions described in Section 2.f of this Agreement) with respect to the issue thereof, with the holders being entitled to all rights accorded to a holder of Common Stock. Assuming the accuracy of the Buyers' representations and warranties set forth in this Agreement, the issuance by the Company of the Securities is exempt from registration under the 1933 Act and applicable state securities laws.

e. No Conflicts.

(i) The execution and delivery of the Transaction Documents by the Company and, to the extent applicable, the Subsidiaries, the performance by such parties of their obligations thereunder and under the Certificate of Designations and the consummation by such parties of the transactions contemplated hereby and thereby (including the reservation for issuance and issuance of the Conversion Shares) will not (A) result in a violation of the Articles of Incorporation, the Certificate of Designations or the Bylaws; (B) conflict with, or constitute a breach or default (or an event which, with the giving of notice or lapse of time or both, constitutes or would constitute a breach or default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or other remedy with respect to, any agreement, indenture or instrument to which the Company or any of the Subsidiaries is a party; or (C) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations) applicable to the Company or any of the Subsidiaries or by which any property or asset of the Company or any of the Subsidiaries is bound or affected, except in the case of each of (B) and (C) above, as would not reasonably be expected to have a Material Adverse Effect. Except for the filings and listings contemplated by the Registration Rights Agreement, the filing of current reports on Form 8-K as contemplated by Section 4.i hereof, and as set forth on Schedule 3.e, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency or any regulatory or self-regulatory agency in order for it to execute, deliver or perform any of its obligations under, or otherwise consummate any of the transactions contemplated by, this Agreement, any of the other Transaction Documents or the Certificate of Designations in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations that the Company is or has been required to obtain as described in the preceding sentence have been obtained or effected on or prior to the date of this Agreement or shall be obtained or effected prior to the applicable due date thereafter, as provided by applicable law, this Agreement or otherwise.

(ii) The Company has not violated any term of its Articles of Incorporation or Bylaws. Neither the Company nor any of the Subsidiaries has violated any material term of and has not been in default under (or with the giving of notice or lapse of time or both would have been in violation of or default under) any material contract, agreement, mortgage, indebtedness, indenture, instrument, judgment, decree or order or any statute, rule or regulation applicable to the Company or any of the Subsidiaries, which violation or default would or would reasonably be expected to have a Material Adverse Effect. The business of the Company and the Subsidiaries has not been conducted in violation of any law, ordinance or regulation of any governmental entity, which violation would or would reasonably be expected to have a Material Adverse Effect.

f. SEC Documents; Financial Statements; Sarbanes-Oxley.

(i) Since December 31, 2023, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934 Act, as amended (the "**1934 Act**") (all of the foregoing filed prior to the date this representation is made (including all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein) being hereinafter referred to as the "**SEC Documents**"). The Company has made available to the Buyers or their respective representatives, or filed and made publicly available on the SEC's Electronic Data Gathering, Analysis, and Retrieval system (or successor thereto) ("**EDGAR**") no less than three (3) days prior to the date this representation is made, true and complete copies of the SEC Documents. Each of the SEC Documents was filed with the SEC within the time frames prescribed by the SEC for the filing of such SEC Documents such that each filing was timely filed with the SEC or, pursuant to Rule 12b-25 under the 1934 Act, any untimely filing was deemed to be filed on the prescribed due date. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents. None of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Since the filing of the SEC Documents, no event has occurred that would require an amendment or supplement to any of the SEC Documents and as to which such an amendment has not been filed and made publicly available on the SEC's EDGAR system no less than three (3) days prior to the date this representation is made. The Company has not received any written comments from the SEC staff that have not been resolved to the satisfaction of the SEC staff.

(ii) As of their respective dates, the consolidated financial statements of the Company and the Subsidiaries included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with United States generally accepted accounting principles ("**GAAP**"), consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes) and fairly present in all material respects the consolidated financial position of the Company and the Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements for periods subsequent to December 31, 2024, to normal year-end audit adjustments). None of the Company, the Subsidiaries and their respective officers, directors and Affiliates or, to the Company's Knowledge, any shareholder of the Company has made any filing with the SEC (other than the SEC Documents), issued any press release or made, distributed, paid for or approved (or engaged any other Person to make or distribute) any other public statement, report, advertisement or communication on behalf of the Company or any of the Subsidiaries or otherwise relating to the Company or any of the Subsidiaries that contains any untrue statement of a material fact or omits any statement of material fact necessary in order to make the statements therein, in the light of the circumstances under which they are or were made, not misleading or has provided any other information to the Buyers, including information referred to in Section 2.d, that contains any untrue statement of a material fact or, with respect to written information, omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they are or were made, not misleading. Except for the Transaction Documents, the Company is not required to file and will not be required to file any agreement, note, lease, mortgage, deed or other instrument entered into prior to the date this representation is made and to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries is bound that has not been previously filed as an exhibit (including by way of incorporation by reference) to the Company's reports filed or made with the SEC under the 1934 Act. The accounting firm that expressed its opinion with respect to the consolidated financial statements included in the Company's most recently filed annual report on Form 10-K, and reviewed the consolidated financial statements included in the Company's most recently filed quarterly report on Form 10-Q, was independent of the Company pursuant to the standards set forth in Rule 2-01 of Regulation S-X promulgated by the SEC and as required by the applicable rules and guidance from the Public Company Accounting Oversight Board (United States), and such firm was otherwise qualified to render such opinion under applicable law and the rules and regulations of the SEC. There is no transaction, arrangement or other relationship between the Company and an unconsolidated or other off-balance-sheet entity that is required to be disclosed by the Company in its reports pursuant to the 1934 Act that has not been so disclosed in the SEC Documents.

(iii) The Company is in all material respects in compliance with applicable provisions of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations thereunder (collectively, "**Sarbanes-Oxley**").

(iv) Since December 31, 2023, except as set forth on Schedule 3.f, neither the Company nor any of the Subsidiaries nor, to the Company's Knowledge, any director, officer or employee, of the Company or any of the Subsidiaries, has received or otherwise obtained any material written or oral complaint, allegation, assertion or claim regarding the accounting or auditing practices, procedures, methodologies or methods of the Company or any of the Subsidiaries or its internal accounting controls, including any complaint, allegation, assertion or claim that the Company or any of the Subsidiaries has engaged in illegal and/or improper accounting or auditing practices. No attorney representing the Company or any of the Subsidiaries, whether or not employed by the Company or any of the Subsidiaries, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by the Company or any of the Subsidiaries or any of their respective officers, directors, employees or agents to the Company Board or any committee thereof or to any director or officer of the Company pursuant to Section 307 of Sarbanes-Oxley, and the SEC's rules and regulations promulgated thereunder. Since December 31, 2023, there have been no internal or SEC investigations regarding accounting or revenue recognition discussed with, reviewed by or initiated at the direction of the chief executive officer, principal financial officer, the Company Board or any committee thereof. The Company is not, and never has been, a "shell company" (as defined in Rule 12b-2 under the 1934 Act).

(v) As used in this Agreement, the "**Company's Knowledge**" and similar language means, unless otherwise specified, the actual knowledge of any "officer" (as such term is defined in Rule 16a-1 under the 1934 Act) of the Company, including Rick Mills, George Sautter and Ryan Mudd, and the knowledge any such Person would be expected to have after reasonable due diligence inquiry.

g. Internal Accounting Controls; Disclosure Controls and Procedures. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset and liability accountability, (iii) access to assets or incurrence of liability is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any differences ("**Internal Controls**"). The Company has timely filed and made publicly available on the SEC's EDGAR system no less than three (3) days prior to the date this representation is made, and all certifications and statements required by (A) Rule 13a-14 or Rule 15d-14 under the 1934 Act and (B) Section 906 of Sarbanes Oxley with respect to any SEC Documents. The Company maintains disclosure controls and procedures required by Rule 13a-15 or Rule 15d-15 under the 1934 Act; such controls and procedures are effective to ensure that the information required to be disclosed by the Company in the reports that it files with or submits to the SEC (X) is recorded, processed, summarized and reported accurately within the time periods specified in the SEC's rules and forms and (Y) is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. The Company maintains internal control over financial reporting required by Rule 13a-15 or Rule 15d-15 under the 1934 Act; such internal control over financial reporting is effective and does not contain any material weaknesses.

h. Absence of Certain Changes. Since December 31, 2024, there has been no Material Adverse Effect and, to the Company's Knowledge, no circumstances exist that would reasonably be expected to be, cause or have a Material Adverse Effect. The Company has not taken any steps, and the Company has no current plans to take any steps, to seek protection pursuant to any bankruptcy law nor, to the Company's Knowledge, do any creditors of the Company intend to initiate involuntary bankruptcy proceedings nor, to the Company's Knowledge, is there any fact that would reasonably lead a creditor to do so.

i. Absence of Litigation. Except as disclosed in Schedule 3.i (i) there is no current action, suit or proceeding, or, to the Company's Knowledge, any inquiry or investigation before or by any court, public board or other Governmental Authority pending or, to the Company's Knowledge, threatened against or affecting the Company, the Common Stock or any of the Subsidiaries, any Employee Benefit Plan (as defined below), or any of the Company's or the Subsidiaries' officers or directors in their capacities as such, and (ii) to the Company's Knowledge, none of the directors or officers of the Company has been involved (as a plaintiff, defendant, witness or otherwise) in securities-related litigation during the past five (5) years. None of the matters described in Schedule 3.i, has had or, if determined adversely to the Company or any Subsidiary, would reasonably expected to have, a Material Adverse Effect.

j. Acknowledgment Regarding Buyer's Purchase of Securities. The Company acknowledges and agrees that each of the Buyers is acting solely in the capacity of an arm's length purchaser with respect to the Company in connection with the Transaction Documents and the transactions contemplated hereby and thereby. The Company further acknowledges that each Buyer is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the Certificate of Designations and the transactions contemplated hereby and thereby, and any advice given by any of the Buyers or any of their respective representatives or agents in connection with the Transaction Documents and the Certificate of Designations and the transactions contemplated hereby and thereby is merely incidental to such Buyer's purchase of the Securities. The Company further represents to each Buyer that the Company's decision to enter into the Transaction Documents has been based solely on the independent evaluation by the Company and its representatives.

k. No Undisclosed Liabilities. Other than (i) the liabilities assumed or created pursuant to this Agreement, the other Transaction Documents, the CDM Acquisition or as a result of the transactions set forth on Schedule 3.k, (ii) liabilities accrued for in the latest balance sheet included in the Company's most recent periodic report (on Form 10-Q or Form 10-K) filed at least three (3) Business Days prior to the date this representation is made (the date of such balance sheet, the "**Latest Balance Sheet Date**") and (iii) liabilities incurred in the ordinary course of business consistent with past practices since the Latest Balance Sheet Date, the Company and the Subsidiaries do not have any other material liabilities (whether fixed or unfixed, known or unknown, absolute or contingent, asserted or unasserted, choate or inchoate, liquidated or unliquidated, or secured or unsecured, and regardless of when any action, claim, suit or proceeding with respect thereto is instituted).

l. General Solicitation. Neither the Company, nor any of its affiliates, nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the 1933 Act) in connection with the offer or sale of the Securities.

m. No Integrated Offering. Neither the Company, nor any of its affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of the 1933 Act or any applicable shareholder approval provisions of any authority.

n. Employee Relations. Neither the Company nor any of the Subsidiaries is involved in any labor union dispute nor, to the Company's Knowledge, is any such dispute threatened. Except as set forth on Schedule 3.n, none of the employees of the Company and the Subsidiaries is a member of a union that relates to such employee's relationship with the Company or any of the Subsidiaries, neither the Company nor any of the Subsidiaries is a party to a collective bargaining agreement, and the Company and the Subsidiaries believe that their relations with their respective employees are good. Except as disclosed in any SEC Documents filed with the SEC at least three (3) days prior to the date of this Agreement, no "executive officer" (as defined in Rule 3b-7 under the 1934 Act), nor any other Person whose termination would be required to be disclosed pursuant to Item 5.02 of Form 8-K, has notified the Company that such Person intends to leave the Company or otherwise terminate such Person's employment with the Company. No such executive officer, to the Company's Knowledge, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer does not subject the Company to any liability with respect to any such violation. The Company and the Subsidiaries are in compliance with all federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance would not and would not be reasonably expected to result, individually or in the aggregate, in a Material Adverse Effect.

o. Employee Benefits. No "prohibited transaction" as defined under Section 406 of ERISA (as defined below) or Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**"), that is not exempt under ERISA Section 408 or Section 4975 of the Code, under any applicable regulations and published interpretations thereunder or under any applicable prohibited transaction, individual or class exemption issued by the Department of Labor, has occurred with respect to any Employee Benefit Plan (as defined below), (ii) at no time within the last seven (7) years has the Company or any ERISA Affiliate (as defined below) maintained, sponsored, participated in, contributed to or has or had any liability or obligation in respect of any Employee Benefit Plan subject to Section 302 of ERISA, Title IV of ERISA, or Section 412 of the Code or any "multiemployer plan" as defined in Section 3(37) of ERISA or any multiple employer plan for which the Company or any ERISA Affiliate has incurred or could incur liability under Section 4063 or 4064 of ERISA, (iii) no Employee Benefit Plan represents any current or future liability for retiree health, life insurance, or other retiree welfare benefits except as may be required by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or similar state law, (iv) each Employee Benefit Plan is and has been operated in compliance with its terms and all applicable laws, including but not limited to ERISA and the Code, except for such failures to comply that would not have a Material Adverse Effect, (v) no event has occurred (including a "reportable event" as such term is defined in Section 4043 of ERISA) and no condition exists that would subject the Company or any ERISA Affiliate to any tax, fine, lien, penalty or liability imposed by ERISA, the Code or other applicable law, except for any such tax, fine, lien, penalty or liability that would not, individually or in the aggregate, have a Material Adverse Effect, (vi) the Company does not maintain any Foreign Benefit Plan, (vii) the Company does not have any obligations under any collective bargaining agreement, (viii) no Employee Benefit Plan is subject to termination or modification, as a result of the transactions contemplated hereby or by the other Transaction Documents or the Certificate of Designations, (ix) no benefit will be distributed and no liability will be incurred, including any complete or partial withdrawal from or with respect to any "multiemployer plan" or other Employee Benefit Plan subject to Title IV of ERISA, as a result of the transactions contemplated hereby or by the other Transaction Documents or the Certificate of Designations, (x) no benefit or vesting under any Employee Benefit Plan will accelerate or increase as a result of the transactions contemplated hereby or by the other Transaction Documents or the Certificate of Designations, and (ix) all individuals working for the Company or any ERISA Affiliate are properly classified as employees or independent contractors. As used in this Agreement, "**Employee Benefit Plan**" means any "employee benefit plan" within the meaning of Section 3(3) of ERISA, and all stock purchase, stock option, stock-based severance, employment, change-in-control, medical, disability, fringe benefit, bonus, incentive, deferred compensation, employee loan and all other employee benefit plans, agreements, programs, policies or other arrangements, whether or not subject to ERISA, under which (A) any current or former employee, director or independent contractor of the Company or any of the Subsidiaries has any present or future right to benefits and which are contributed to, sponsored by or maintained by the Company or any of the Subsidiaries or (B) the Company or any of the Subsidiaries has had or has any present or future obligation or liability on behalf of any such employee, director or independent contractor; "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended; "**ERISA Affiliate**" means any member of the Company's controlled group as defined in Code Section 414 (b), (c), (m) or (o); and "**Foreign Benefit Plan**" means any Employee Benefit Plan mandated by a government other than the United States of America is subject to the laws or a jurisdiction outside of the United States.

p. Intellectual Property Rights.

(i) The Company and its Subsidiaries own or possess adequate rights or licenses to use all Intellectual Property (as defined below) necessary to conduct their respective businesses as now conducted and as presently proposed to be conducted ("**Company Intellectual Property**"). Except as set forth on Schedule 3.p, none of the Company's or its Subsidiaries' rights with respect to Patents included within Company Intellectual Property are expected to expire, terminate or be abandoned, within three (3) years from the date of this Agreement, in either case that are necessary or material to the conduct of the Company's business as now conducted and as presently proposed to be conducted. Neither the Company nor any of its Subsidiaries (A) has infringed, misappropriated or otherwise violated the Intellectual Property rights of others or (B) breached or violated any contract, agreement or arrangement relating to Intellectual Property, except in each case, as would not reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 3.p,there is no claim (including in connection with any offer to license), action or proceeding being made or brought, or to the knowledge of the Company or any of its Subsidiaries, being threatened, (1) against the Company or any of its Subsidiaries regarding any Intellectual Property, including any claim of breach or violation of any contract, agreement or arrangement relating to Intellectual Property or (2) with respect to any registration or filing made by the Company or any of its Subsidiaries regarding any Intellectual Property. Except as set forth on Schedule 3.p, to the Company's Knowledge, there are no facts or circumstances which might give rise to any of the foregoing infringements, misappropriation or violation, or claims, actions or proceedings. To the Company's Knowledge, (x) no third party has infringed or otherwise violated any Intellectual Property owned by the Company or any of the Subsidiaries and (y) no third party has materially breached any contract, agreement or arrangement relating to Intellectual Property to which the Company or any of its Subsidiaries is a party. The Company and each of its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of the Intellectual Property owned by them.

(ii) The software, hardware, networks, communications devices and facilities, and other technology and related services used by the Company and/or any of the Subsidiaries (collectively, the "**Systems**") are reasonably sufficient for the operation of their respective businesses as currently conducted and for the reasonably anticipated needs of such businesses. The Company and the Subsidiaries have arranged for disaster recovery and back-up services sufficient to comply with any and all applicable Laws and adequate to meet its needs in the event the performance of any of the Systems or any material component thereof is temporarily or permanently impeded or degraded due to any natural disaster or other event outside the reasonable control of the Company or the Subsidiaries, as applicable. The Company and the Subsidiaries have established and maintain commercially reasonable measures to ensure that the Systems, and all software, information and data residing on its Systems or otherwise owned by, licensed, used or distributed by the Company or any of the Subsidiaries, are free of any computer virus, Trojan horse, worm, time bomb, or similar code designed to disable, damage, degrade or disrupt the operation of, permit unauthorized access to, erase, destroy or modify any software, hardware, network or other technology ("**Malicious Code**"). Since December 31, 2023, no Malicious Code or error or defect has caused a material disruption, degradation or failure of any of the Systems or of the conduct of the businesses of the Company or any of the Subsidiaries, and, to the Company's Knowledge, there has been no material unauthorized intrusion or breach of the security of any of the Systems.

(iii) For purposes of this Agreement, the term "**Intellectual Property**" means all intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, pursuant to the laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (a) inventions (whether or not patentable, and whether or not reduced to practice) and all improvements thereto; (b) all patents (including all reissuances, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications and other patent rights ("**Patents**"); (c) trademarks, service marks, trade names, brand names, logos, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with all goodwill connected with the use of and symbolized by, and all registrations, registration applications and renewals in respect of, any of the foregoing; (d) Internet domain names, whether or not trademarks or service marks, registered in any top-level domain by any authorized private registrar or Governmental Authority, web addresses, web pages, websites and related content, accounts with Twitter, Facebook and other social media companies and the content found thereon and related thereto, and URLs; (e) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights and moral rights, and all registrations, applications for registration and renewals with respect thereto; (f) trade secrets, discoveries, business and technical information, know-how, methodologies, strategies, processes, databases, data collections and other confidential and/or proprietary information and all rights therein; (g) software and firmware, including data files, source code, object code, application programming interfaces, routines, algorithms, architecture, files, records, schematics, computerized databases and other related specifications and documentation; (h) semiconductor chips and mask works; (i) other intellectual property rights; and (j) copies and tangible embodiments (in whatever form or medium) of the foregoing. For purposes of this Agreement, "**Governmental Authority**" means the government of the United States or any other nation, or any political subdivision thereof, whether state, provincial or local, or any agency (including any self-regulatory agency or organization), authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administration powers or functions of or pertaining to government (including any supranational bodies such as the European Union) over the Company or any of the Subsidiaries, or any of their respective properties, assets or undertakings.

q. Environmental Laws. Each of the Company and the Subsidiaries: (i) has complied in all material respects with all Environmental Laws (as defined below), (ii) has received all material permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business, (iii) has complied with all terms and conditions of any such permit, license or approval, and to the Company's Knowledge, there are no events, conditions, or circumstances reasonably likely to result in liability of the Company or any of the Subsidiaries pursuant to Environmental Laws that would or would reasonably be expected to have a Material Adverse Effect. None of the Company or the Subsidiaries has received any notice of any noncompliance with any Environmental Laws or the terms and conditions of any permit, license or approval required under applicable Environmental Laws to conduct the Company's and the Subsidiaries' respective businesses. The term "**Environmental Laws**" means all federal, state, local or foreign laws relating to any matter arising out of or relating to public health and safety, or pollution or protection of the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or workplace, including any of the foregoing relating to the presence, use, production, generation, handling, transport, treatment, storage, disposal, distribution, discharge, emission, release, threatened release, control or cleanup of any Hazardous Materials, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq., as amended ("**CERCLA**"), the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §6901, et seq., the Clean Air Act, 42 U.S.C. §7401, et seq., as amended, the Federal Water Pollution Control Act, 33 U.S.C. §1251, et seq., as amended, the Oil Pollution Act of 1990, 33 U.S.C. §2701, et seq., and the Toxic Substances Control Act, 15 U.S.C. §2601, et seq.; and "**Hazardous Materials**" means any hazardous, toxic or dangerous substance, materials and wastes, including hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, biological substances, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and/or any other similar substances, materials, or wastes and including any other substances, materials or wastes that are or become regulated under any Environmental Law (including any that are or become classified as hazardous or toxic under any Environmental Law).

r. Personal Property. Except as described on Schedule 3.r, the Company and the Subsidiaries have good and valid title to all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens.

s. Real Property. None of the Company or any of the Subsidiaries owns any real property. All of the Real Property Leases (as defined below) are valid and in full force and effect and are enforceable against all parties thereto. Neither the Company nor any of the Subsidiaries nor, to the Company's Knowledge, any other party thereto is in default in any material respect under any of the Real Property Leases and no event has occurred which with the giving of notice or the passage of time or both could constitute a default under, or otherwise give any party the right to terminate, any of such Real Property Leases, or could materially adversely affect the Company's or any of the Subsidiaries' interest in and title to the Real Property subject to any of such Real Property Leases. No Real Property Lease is subject to termination, modification or acceleration as a result of the transactions contemplated hereby or by the other Transaction Documents or the Certificate of Designations. For purposes hereof, "**Real Property Lease**" means each lease for Real Property, except easements, rights of way, access agreements, surface damage agreements, surface use agreements or similar agreements that pertain to Real Property; and "**Real Property**" means all the real property, facilities and fixtures that are leased or, in the case of fixtures, otherwise owned or possessed by the Company or the Subsidiaries.

t. Insurance. The Company and each of the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and the Subsidiaries are engaged. Neither the Company nor any of the Subsidiaries have been refused any insurance coverage sought or applied for, and, to the Company's Knowledge, the Company and the Subsidiaries will be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not be reasonably expected to have a Material Adverse Effect.

u. Regulatory Permits and Other Regulatory Matters.

(i) Permits. The Company and the Subsidiaries possess all material certificates, authorizations, approvals, licenses and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their business as presently conducted ("**Permits**"), including all Permits required by any Governmental Authority engaged in the regulation of the business of the Company and the Subsidiaries (each, a "**Regulatory Agency**"), and neither the Company nor any such Subsidiary has received any notice of proceedings relating to the revocation or modification of any such Permit. To the Company's Knowledge, there are no facts or circumstances that would reasonably lead to any of them not being able to obtain necessary Permits as and when necessary to enable the Company and the Subsidiaries to conduct its business.

(ii) Other Regulatory Matters. As to each product of the Company or any Subsidiary subject to the jurisdiction of any Regulatory Agency that is manufactured, packaged, distributed, sold, and/or marketed by the Company or any of the Subsidiaries, such product has been, and is being, manufactured, packaged, distributed, sold and/or marketed by the Company in compliance in all material respects with all applicable requirements imposed or promulgated by each Regulatory Agency. There is no pending, completed or, to the Company's Knowledge, threatened, action (including any lawsuit, arbitration, or legal or administrative or regulatory proceeding, charge, complaint, or investigation) against the Company or any of the Subsidiaries, and none of the Company or any of the Subsidiaries has received any notice, warning letter or other communication from any Regulatory Agency, which (A) contests the licensure, registration, or approval of, the uses of, the distribution of, the manufacturing or packaging of, or the sale of, any products of the Company or the Subsidiaries, (B) withdraws its approval of, requests the recall, suspension, or seizure of, or withdraws or orders the withdrawal of advertising or sales promotional materials relating to, any such product, (C) enjoins production at any facility of the Company or any of the Subsidiaries, (D) enters or proposes to enter into a consent decree of permanent injunction with the Company or any of the Subsidiaries, or (E) otherwise alleges any violation of any laws, rules or regulations by the Company or any of the Subsidiaries. The respective properties, business and operations of the Company and the Subsidiaries have been and are being conducted in all material respects in accordance with all applicable laws, rules and regulations of each applicable Regulatory Agency. The Company has not been informed by any Regulatory Agency that it will prohibit the marketing, sale, license or use in the United States or any other jurisdiction of any product proposed to be developed, produced or marketed by the Company nor has any Regulatory Agency expressed any concern as to approving any product being developed or proposed to be developed by the Company or any Subsidiary.

v. Listing. The Company is not in violation of any of the rules, regulations or requirements of the Principal Market, and, to the Company's Knowledge, there are no facts or circumstances that would reasonably lead to suspension or termination of trading of the Common Stock on the Principal Market. Since December 31, 2023, (i) the Common Stock has been listed on the Principal Market, (ii) trading in the Common Stock has not been suspended or deregistered by the SEC or the Principal Market, and (iii) the Company has received no communication, written or oral, from the SEC or the Principal Market regarding the suspension or termination of trading of the Common Stock on the Principal Market. For purposes of this Agreement, "**Principal Market**" means the Nasdaq Capital Market, or if the Common Stock becomes listed on any other National Exchange, then from and after such date, such National Exchange; and "**National Exchange**" means any of the NYSE MKT, The New York Stock Exchange, the Nasdaq Global Market, the Nasdaq Global Select Market or the Nasdaq Capital Market (or a successor to any of the foregoing). The Common Stock is eligible for clearing through The Depository Trust Company (the "**DTC**"), through its Deposit/Withdrawal At Custodian (DWAC) system, and the Company is eligible and participating in the Direct Registration System (DRS) of DTC with respect to the Common Stock. The Common Stock is not, and has not been at any time prior to the Closing Date, subject to any DTC "chill," "freeze" or similar restriction with respect to any DTC services, including the clearing of shares of Common Stock through DTC.

w. Tax Status. Each of the Company and the Subsidiaries (i) has timely filed all material foreign, federal and state income, franchise and all other material Tax Returns required by any jurisdiction to which it is subject, (ii) has paid all Taxes that are material in amount and required to be paid, except those for which the Company has made reserves in the consolidated financial statements of the Company and the Subsidiaries that are adequate in accordance with GAAP, and (iii) has established in the consolidated financial statements of the Company and the Subsidiaries reserves that are adequate in accordance with GAAP for the payment of all material Tax liabilities and deferred Taxes as of the date this representation is made. There are no unpaid Taxes in any material amount claimed in writing to be due by the taxing authority of any jurisdiction, and to the Company's Knowledge, there is no basis for any such claim. Each of the Company and the Subsidiaries has timely withheld and paid all material Taxes (including sales Taxes) required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, shareholder or third party. Neither the Company nor any of the Subsidiaries is or has been a U.S. real property holding corporation (as defined in Treasury Regulation Section 1.897-2(b) under the Code ("**USRPHC**") during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code. No deficiency for any income, franchise or other material amount of Tax relating to the Company or any of the Subsidiaries has been asserted or assessed by any taxing authority in writing, except for the deficiencies which have been satisfied by payment, settled or withdrawn or which are being contested in good faith and for which reserves adequate in accordance with GAAP have been established in the consolidated financial statements of the Company and the Subsidiaries. None of the Company or any of the Subsidiaries has entered into a "listed transaction" that has given rise to a disclosure obligation under Section 6011 of the Code and the Treasury Regulations promulgated thereunder and that has not been disclosed in the relevant Tax Return. "**Taxes**" means all taxes, charges, fees, levies or other like assessments, including United States federal, state, local, foreign and other net income, gross income, gross receipts, social security, estimated, sales, use, ad valorem, franchise, profits, net worth, alternative or add-on minimum, capital gains, license, withholding, payroll, employment, unemployment, social security, excise, property, transfer taxes and any and all other taxes, assessments, fees or other governmental charges, whether computed on a separate, consolidated, unitary, combined or any other basis together with any interest and any penalties, additions to tax, estimated taxes or additional amounts with respect thereto, and including any liability for taxes as a result of being a member of a consolidated, combined, unitary or affiliated group or any other obligation to indemnify or otherwise succeed to the tax liability of any other Person; and "**Tax Returns**" means all returns, declarations, reports, statements, schedules, notices, forms or other documents or information required to be filed in respect of the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of any legal requirement relating to any Tax.

x. Transactions With Affiliates. None of the Company's or any of the Subsidiaries' respective officers or directors, Persons who were officers or directors of the Company or any Subsidiary at any time during the previous two (2) years, shareholders, or affiliates of the Company or any of the Subsidiaries, or any individual related by blood, marriage or adoption to any such individual (each a "**Related Party**"), nor any Affiliate of any Related Party, is presently, or has been within the past two (2) years, a party to any transaction, contract, agreement, instrument, commitment, understanding or other arrangement or relationship with the Company or any of the Subsidiaries (other than directly for services as an employee, officer and/or director), whether for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments or consideration to or from any such Related Party. To the Company's Knowledge, no Related Party of the Company or any of the Subsidiaries or any of their respective Affiliates, has any direct or indirect ownership interest in any Person (other than ownership of less than one percent (1%) of the outstanding common stock of a publicly traded corporation) in which the Company or any of the Subsidiaries has any direct or indirect ownership interest or has a business relationship or with which the Company or any of the Subsidiaries competes. "**Affiliate**" for purposes hereof means, with respect to any Person, another Person that, (i) is a director, officer, manager, managing member, general partner or five percent (5%) or greater owner of equity interests in such Person, or (ii) directly or indirectly, (1) has a common ownership with that Person, (2) controls that Person, (3) is controlled by that Person or (4) shares common control with that Person. "**Control**" or "**controls**" for purposes hereof means that a person or entity has the power, direct or indirect, to conduct or govern the policies of another Person.

y. Application of Takeover Protections. The Company and the Company Board have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination or other similar anti-takeover provision under the Articles of Incorporation or the laws of the State of Minnesota that is or could become applicable to the Buyers as a result of the transactions contemplated by this Agreement, including the Company's issuance of the Securities and the Buyers' ownership of the Securities.

z. Rights Agreement. The Company has not adopted a shareholder rights plan (or "poison pill") or similar arrangement relating to accumulations of beneficial ownership of Common Stock or a change in control of the Company.

aa. Foreign Corrupt Practices and Certain Other Federal Regulations.

(i) Neither the Company nor any of the Subsidiaries, nor to the Company's Knowledge, any director, officer, agent, employee or other Person acting on behalf of the Company or any of the Subsidiaries has, in the course of its actions for, or on behalf of, the Company or any of the Subsidiaries, used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(ii) The Company and each Subsidiary is in compliance in all material respects with all U.S. economic sanctions laws, all executive orders and implementing regulations ("**Sanctions**") as administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") and the U.S. State Department. None of the Company or any of the Subsidiaries (A) is a Person on the list of the Specially Designated Nationals and Blocked Persons (the "**SDN List**"), (B) is a person who is otherwise the target of U.S. economic sanctions laws such that a U.S. person cannot deal or otherwise engage in business transactions with such person, (C) is a Person organized or resident in a country or territory subject to comprehensive Sanctions (a "**Sanctioned Country**"), or (D) is owned or controlled by (including by virtue of such Person being a director or owning voting shares or interests), or acts, directly or indirectly, for or on behalf of, any Person on the SDN List or a government of a Sanctioned Country such that the entry into, or performance under, this Agreement, any other Transaction Documents or Certificate of Designations would be prohibited by applicable U.S. law.

(iii) The Company and each Subsidiary are in compliance with all laws related to terrorism or money laundering including: (A) all applicable requirements of the Currency and Foreign Transactions Reporting Act of 1970 (31 U.S.C. 5311 et. seq. (the Bank Secrecy Act)), as amended by Title III of the Patriot Act, (B) the Trading with the Enemy Act, (C) that certain Executive Order No. 13224 of September 23, 2001, entitled Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or any other enabling legislation, executive order or regulations issued pursuant or relating thereto, and (D) other applicable federal or state laws relating to "know your customer" or anti-money laundering rules and regulations. No action, suit or other proceeding by or before any court or Governmental Authority with respect to compliance with such anti-money laundering laws is pending or threatened to the knowledge of the Company and each Subsidiary.

(iv) The Company and each of its Subsidiaries are in compliance with all applicable laws and regulations governing the import, export, reexport, release, brokering, or transfer of goods, software, technology, technical data, and services, including, without limitation, the U.S. export control laws and regulations administered and enforced by the U.S. Departments of Commerce and State and the import and customs laws administered and enforced by the U.S. Departments of Homeland Security, Commerce, and U.S. Customs and Border Protection, or an appropriate foreign authority, including, without limitation, the Export Control Reform Act, the Export Administration Regulations, the Arms Export Control Act, the International Traffic in Arms Regulations, the International Emergency Economic Powers Act, the Trading with the Enemy Act, the U.S. Customs laws and regulations, OFAC, or other applicable law regulating the development, commercialization or export of technology.

bb. No Other Agreements. The Company has not, directly or indirectly, made any agreements with any Buyers relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents.

cc. Investment Company. The Company is not, and upon the Closing will not be, an "investment company," a company controlled by an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

dd. No Disqualification Events. None of the Company, any of its predecessors, any director, executive officer, other officer of the Company participating in the offering contemplated hereby or, to the Company's Knowledge, (i) any beneficial owner (as that term is defined in Rule 13d-3 under the 1934 Act) of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, (ii) any "promoter" (as that term is defined in Rule 405 under the 1933 Act) connected with the Company in any capacity at the time of the Closing, or (iii) any placement agent or dealer participating in the offering of the Securities and any of such agents' or dealer's directors, executive officers, other officers participating in the offering of the Securities (each, a "**Covered Person**" and, together, "**Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the 1933 Act (a "**Disqualification Event**"). The Company has exercised reasonable care to determine (A) the identity of each person that is a Covered Person; and (B) whether any Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e). With respect to each Covered Person, the Company has established procedures reasonably designed to ensure that the Company receives notice from each such Covered Person of (I) any Disqualification Event relating to that Covered Person, and (II) any event that would, with the passage of time, become a Disqualification Event relating to that Covered Person; in each case occurring up to and including the Closing Date. The Company is not for any other reason disqualified from reliance upon Rule 506 of Regulation D for purposes of the offer and sale of the Securities.

ee. Acknowledgement Regarding Buyers' Trading Activity. It is understood and acknowledged by the Company that except as expressly set forth in this Agreement, none of the Buyers or holders of the Securities has been asked to agree, nor has any Buyer agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term; and no Buyer or holder of Securities shall be deemed to have any affiliation with or control over any arm's length counterparty in any "derivative" transaction. The Company further understands and acknowledges that except as expressly set forth in this Agreement (i) one or more Buyers or holders of Securities may engage in hedging and/or trading activities at various times during the period that the Securities are outstanding, and (ii) such hedging and/or trading activities, if any, can reduce the value of the existing shareholders' equity interest in the Company both at and after the time the hedging and/or trading activities are being conducted. The Company acknowledges that, except as otherwise set forth in this Agreement, any such hedging and/or trading activities do not constitute a breach of this Agreement or any of the other Transaction Documents or the Certificate of Designations or affect the rights of any Buyer or holder of Securities under this Agreement, any other Transaction Document or the Certificate of Designations.

ff. Manipulation of Prices; Securities. Except as set forth on Schedule 3.ff,

(i) None of the Company or the Subsidiaries, or any of their respective officers, directors or Affiliates and, to the Company's Knowledge, no one acting on any such Person's behalf has, (A) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company or any Subsidiary to facilitate the sale or resale of any of the Securities, (B) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (C) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company or any Subsidiary.

(ii) Except as disclosed in beneficial ownership reports filed with the SEC in accordance with Section 16 of the 1934 Act, since December 31, 2024, no executive officer (as defined pursuant to Section 16 of the 1934 Act), director or Affiliate of the Company or any of the Subsidiaries, any Affiliate of any of the foregoing, or anyone acting on their behalf, has sold, bid, purchased or traded in the Common Stock or any other security of the Company.

gg. Disclosure. The Company understands and confirms that each of the Buyers will rely on the foregoing representations in effecting transactions in securities of the Company. Taken as a whole, all disclosure provided to the Buyers regarding the Company, its business and the transactions contemplated hereby, including the Schedules to this Agreement, furnished by or on behalf of the Company is true and correct and does not contain any untrue statement of a material fact or with respect to written information omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4. COVENANTS.

a. Reasonable Best Efforts. Each party shall use its reasonable best efforts to timely satisfy each of the conditions to be satisfied by it as provided in Sections 6 and 7 of this Agreement.

b. Form D and Blue Sky. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof to each Buyer promptly after such filing (unless available on EDGAR). The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Buyers at the Closing occurring on the Closing Date pursuant to this Agreement under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of any such action so taken to the Buyers on or prior to the Closing Date. The Company shall make all filings and reports relating to the offer and sale of the Securities required under applicable securities or "Blue Sky" laws of the states of the United States following the Closing Date.

c. Reporting Status. From the date of this Agreement until the later of (i) the first date on which no Preferred Shares remain outstanding, and (ii) the first date on which the Buyers no longer own any Securities (the period ending on such latest date, the "**Reporting Period**"), the Company shall timely (provided, however, that the Company shall be afforded the benefit of any extension pursuant to Rule 12b-25 of the 1934 Act) file all reports required to be filed with the SEC pursuant to the 1934 Act, and the Company shall not terminate the registration of the Common Stock under the 1934 Act or otherwise terminate its status as an issuer required to file reports under the 1934 Act, even if the securities laws would otherwise permit any such termination. The Company hereby agrees that, during the Reporting Period, the Company shall send to each Buyer copies of any notices and other information made available or given to the shareholders of the Company generally, contemporaneously with the Company's making available or giving such notices and other information to the shareholders (unless otherwise available on EDGAR).

d. Use of Proceeds. The Company will use the proceeds from the sale of the Preferred Shares to consummate the acquisition (the "**CDM Acquisition**") contemplated by that certain Share Purchase Agreement dated as of the date of this Agreement (the "**CDM SPA**") by and among the Company, 1001372953 ONTARIO INC., an Ontario corporation, and Cineplex Entertainment Limited Partnership, a Manitoba limited partnership, ("**CELP**") and other general corporate purposes.

e. Internal Accounting Controls. During the Reporting Period, the Company shall, and shall cause each of the Subsidiaries to (i) at all times keep books, records and accounts with respect to all of such Person's business activities, in accordance with applicable accounting practices and GAAP consistently applied, (ii) maintain a system of Internal Controls, (iii) maintain disclosure controls and procedures required by Rule 13a-15 or Rule 15d-15 under the 1934 Act, (iv) use its reasonable best efforts to cause such disclosure controls and procedures to be effective at all times to ensure that the information required to be disclosed by the Company in the reports that it files with or submits to the SEC (I) is recorded, processed, summarized and reported accurately within the time periods specified in the SEC's rules and forms and (II) is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure, (v) maintain internal control over financial reporting required by Rule 13a-14 or Rule 15d-14 under the 1934 Act, and (vi) use its reasonable best efforts to cause such internal control over financial reporting to be effective at all times and not contain any material weaknesses.

f. Reservation of Shares. The Company shall take all action necessary to at all times have authorized, and reserved for the purpose of issuance, no less than 100% of the number of shares of Common Stock needed to provide for issuance of the Conversion Shares upon conversion of all outstanding Preferred Shares (without regard to any limitations or restrictions on conversion thereof).

g. Listing. The Company shall take all actions necessary to remain eligible for listing of its securities on the Principal Market. The Company shall use its commercially reasonable efforts to maintain such listing of all Registrable Securities from time to time issuable under the terms of the Transaction Documents and the Certificate of Designations; provided, that, in no event shall the Company take any action that would reasonably be expected to adversely impact the Company's ability to perform its obligations under this Agreement, the other Transaction Documents or the Certificate of Designations. The Company shall not take any action that would reasonably be expected to result in the delisting or suspension of the Common Stock from the Principal Market or any other National Exchange on which the Company's securities are listed (provided that nothing shall prohibit the Company from transferring its listing to another National Exchange). The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4.g. At all times during the Reporting Period, (i) the Common Stock shall be eligible for clearing through DTC, through its Deposit/Withdrawal At Custodian (DWAC) system, (ii) the Company shall be eligible and participating in the Direct Registration System (DRS) of DTC with respect to the Common Stock, and (iii) the Company shall use its reasonable best efforts to cause the Common Stock to not at any time be subject to any DTC "chill," "freeze" or similar restriction with respect to any DTC services, including the clearing of shares of Common Stock through DTC or, in the event the Common Stock becomes subject to any DTC "chill," "freeze" or similar restriction with respect to any DTC services, the Company shall use its reasonable best efforts to cause any such "chill," "freeze" or similar restriction to be removed at the earliest possible time.

h. Expenses. Notwithstanding any termination of this Agreement pursuant to Section 9, the Company shall reimburse North Run Strategic Opportunities Fund I, LP (the "**Lead Investor**") for its reasonable out-of-pocket expenses incurred in connection with the preparation and negotiation of the Transaction Documents and the related due diligence review, including fees and disbursements of the Lead Investor's legal counsel. To the extent such expenses have not been paid by the Company prior to Closing, the outstanding amount payable to the Lead Investor pursuant to the preceding sentence at the Closing may be withheld as an off-set by such Buyer from its Purchase Price to be paid by it at the Closing. The Company shall pay all of its own legal, due diligence and other expenses relating to negotiating and preparing the Transaction Documents and the Certificate of Designations and consummating the transactions contemplated hereby and thereby.

i. Disclosure of Transactions and Other Material Information. Within four (4) Business Days following the execution and delivery of this Agreement, the Company shall file one or more Forms 8-K with the SEC describing the terms of the transactions contemplated by the Transaction Documents and including as exhibits to such Form 8-K this Agreement, the Certificate of Designations and the Registration Rights Agreement (such Form or Forms 8-K, collectively, the "**Announcing Form 8-K**"), provided that, to the extent practicable, the Company shall give the Lead Investor reasonable advance notice and an opportunity to review and comment on the Announcing Form 8-K prior to filing. Unless required by applicable law or a rule of the Principal Market, the Company shall not make any public announcement regarding the transactions contemplated hereby, the other Transaction Documents, or the Certificate of Designations prior to the Closing Date. The Company represents and warrants that, upon the first public disclosure by the Company of its earnings results for the fiscal quarter ended September 30, 2025, which first public disclosure shall in no event occur later than November 14, 2025, no Buyer shall be in possession of any material nonpublic information received from the Company, any of the Subsidiaries, any of their respective Affiliates or any of their respective officers, directors, employees, attorneys, representatives or agents, with respect to the Transaction Documents and the transactions contemplated thereby. Subject to Section 4.j hereof and the information that any Board Designees may have due to such Board Designee's service on the Company Board, the Company shall not, and shall cause each of its Subsidiaries to not, and shall direct each of their respective officers, directors, employees and agents to not, provide any Buyer with any material nonpublic information regarding the Company or any of its Subsidiaries from and after the filing of the Announcing Form 8-K with the SEC without the express prior written consent of such Buyer. The Company hereby acknowledges and agrees that, except for the Board Designees and subject to the last sentence of Section 4.j(iii), no Buyer (nor any of such Buyer's Affiliates) shall have any duty of trust or confidence with respect to any material nonpublic information provided by, or on behalf of, the Company, any of its Subsidiaries, or any of its or their respective officers, directors, employees or agents, in violation of the foregoing covenant. Subject to the foregoing, both the Company and any Buyer agree to coordinate in good faith on the timing and content of any press releases or any other public statements with respect to the transactions contemplated hereby; provided, however, that the Company and Buyer may make disclosures as is required by applicable law and regulations, so long as, to the extent practicable, the disclosing party gives the other party reasonable advance notice and an opportunity to review and comment on such press release, press announcement or other public disclosure. Notwithstanding anything to the contrary herein, in the event that the Company believes that a notice or communication to any Buyer contains material, nonpublic information relating to the Company or any of the Subsidiaries, the Company shall so indicate to the Buyers contemporaneously with delivery of such notice or communication, and such indication shall provide the Buyers the means to refuse to receive such notice or communication; and in the absence of any such indication, the holders of the Securities shall be allowed to presume that all matters relating to such notice or communication do not constitute material, nonpublic information relating to the Company or any of the Subsidiaries. Upon receipt or delivery by the Company or any of the Subsidiaries of any notice in accordance with the terms of the Transaction Documents or the Certificate of Designations, unless the Company has in good faith determined that the matters relating to such notice do not constitute material, nonpublic information relating to the Company or any of the Subsidiaries, the Company shall within one (1) Business Day after any such receipt or delivery publicly disclose such material, nonpublic information. For the avoidance of doubt, the Company's providing to any Board Designee (due to such Board Designee's service on the Company Board) of information that may constitute material, nonpublic information relating to the Company or any of the Subsidiaries, and any such Board Designee's providing of such information to any Buyer or its Affiliates, including any Buyer that is an Affiliate of such Board Designee, shall not be deemed to be a breach of this Section 4.i.

j. Company Board.

(i) The Company and the Company Board have taken all actions so that, immediately following the Closing, without any further action by the Company or the Company Board (or any committee thereof), (A) the Company Board shall have been increased to a total of seven (7) members, and (B) the individuals listed on Schedule 4.j shall be added as members of the Company Board (each a "**Board Designee**," collectively with any successors as set forth herein, the "**Board Designees**"), filling the vacancies created by the increase in the size of the Board to seven (7) members.

(ii) Except as provided herein and so long as the Lead Investor and its Affiliates collectively beneficially own at least twenty percent (20%) of the Conversion Shares underlying the Preferred Shares issued to the Buyers pursuant to this Agreement (assuming the full conversion of such Preferred Shares, irrespective of any ownership limitations contained therein) (the "**Ownership Threshold**") and the Lead Investor and its Affiliates collectively hold at least the Required Beneficial Ownership Amount (as defined below): (i) in connection with any annual meeting of the shareholders of the Company or any special meeting of the shareholders of the Company at which directors are to be elected, the Company Board shall nominate for reelection (or election), recommend that the Company's shareholders vote in favor of election to the Company Board of, and solicit proxies in favor of the election of, and the Company and the Company Board shall otherwise take all actions as are reasonably necessary or desirable to elect, the Board Designees whose terms of office expire at such shareholder meeting to the Company Board, subject to the Board's right to withhold such recommendation if a majority of the members (not including the Board Designees) determine that they cannot in good faith, and in consideration of their fiduciary duties, approve such recommendation, and (ii) except as provided herein, neither the Company Board nor the Nominating and Corporate Governance Committee thereof shall take any action to increase the size of the Company Board to more than seven (7) members without the consent of the Lead Investor. If any Board Designee is not elected or re-elected to the Company Board at any meeting of the Company's shareholders, then, subject to the limitations set forth in this Section 4.j(ii), the Company Board shall promptly increase the size of the Company Board by one (1) member, if necessary, and appoint the applicable Board Designee to fill the resulting vacancy. The initial Board Designees shall be listed on Schedule 4.j. In order to comply with the rules of the Principal Market, the "**Required Beneficial Ownership Amount**" shall mean (i) in order to designate two members to the Company Board, not less than 15.0% of the Company's outstanding shares of Common Stock (assuming full conversion of the Preferred Shares, but subject to any applicable beneficial ownership or conversion limitations) and (ii) in order to designate one member to the Company Board, not less than 5.0% of the Company's outstanding shares of Common Stock (assuming full conversion of the Preferred Shares, but subject to any applicable beneficial ownership or conversion limitations). At any time while serving as a member of the Company Board, one or both, as applicable, of the Board Designees shall resign as a member of the Company Board at the written request of the Board if the Lead Investor and its Affiliates collectively beneficially own less than the applicable Required Beneficial Ownership Amount. To the extent that the Company's nomination right with respect to the Board Designees is in conflict with applicable rules of the Principal Market with respect to board nomination rights, as confirmed by representatives of the Principal Market, then the Company shall only be required to nominate the maximum number of Board Designees that would not violate the applicable rules of the Principal Market.

(iii) Each Board Designee shall be entitled to the same compensation, the same indemnification and the same director and officer insurance in connection with each Board Designee's role as a director as all other members of the Company Board, and each Board Designee shall be entitled to reimbursement for documented, reasonable out-of-pocket expenses incurred in attending meetings of the Company Board and any committees thereof, to the same extent as all other members of the Company Board. In addition, each Board Designee shall be entitled to the same information regarding the Company and any subsidiaries in connection with each Board Designee's role as a director as all other members of the Company Board, and each Board Designee shall be entitled to share such information with the Lead Investor, subject to each Board Designee's confidentiality obligations (to which the Lead Investor must be bound) and other policies and procedures as a director on the Company Board. The Company agrees that any such indemnification arrangements described in this Section 4.j(iii) will be the primary source of indemnification and advancement of expenses in connection with the matters covered thereby and payment thereon will be made before, offset and reduce any other insurance, indemnity or expense advancement to which each Board Designee may be entitled or which is actually paid in connection with such matters. For the avoidance of doubt, so long as any Board Designee remains on the Company Board, the Lead Investor and its Affiliates shall be subject to, and shall comply with, Section 6 of the Company's Insider Trading Policy, as the same may be amended from time to time.

(iv) In the event that any Board Designee shall cease serving as a member of the Company Board, whether by resignation, removal, death, disability or otherwise (but excluding any resignation required pursuant to Section 4.j(ii)), then the Lead Investor shall select a replacement Board Designee and the Company Board shall promptly take all actions necessary to appoint such replacement Board Designee (subject to the limitations on the number of Board Designees set forth in Section 4.j(ii)) to fill the resulting vacancy.

(v) So long as the Ownership Threshold and the Required Beneficial Ownership Amount are satisfied, the Lead Investor shall have the option to have one (1) Board Designee serve on all committees of the Company Board other than the Audit Committee, subject to applicable Nasdaq listing requirements and applicable law. The Company Board and each respective committee shall take all actions reasonably necessary to effect the foregoing, including increasing the size of any such committee by one (1), if necessary.

k. Right to Participate in Future Offerings.

(i) So long as the Lead Investor and its Affiliates meet or exceed the Ownership Threshold, subject to the exceptions described below, the Company shall not, and shall cause each of its subsidiaries not to, (x) contract with any party for any equity financing or the issuance of any indebtedness that includes an equity component or that is convertible into, exercisable into or exchangeable for equity securities of the Company or any of its Subsidiaries, or (y) issue any equity securities of the Company or any subsidiary or securities convertible, exchangeable or exercisable into or for equity securities of the Company or any of the subsidiaries (including any indebtedness that includes an equity component or that is convertible into, exercisable into or exchangeable for equity securities of the Company or any of its Subsidiaries) (a "**Future Offering**"), unless it shall have first delivered to the Lead Investor, or its designee appointed by the Lead Investor, written notice (the "**Future Offering Notice**") describing generally the proposed Future Offering and providing the Lead Investor an option (the "**Buyer Purchase Option**") to purchase up to a number of securities to be issued in such Future Offering equal to the product (such product, the Lead Investor's "**Allocation Percentage**") of (A) a fraction, (1) the numerator of which is the sum of the number of shares of Common Stock then held by the Lead Investor, and the number of Conversion Shares issuable upon conversion of the Preferred Shares then held by the Lead Investor and its Affiliates, and (2) the denominator of which is the Fully-Diluted Shares, in each case as of the date immediately prior to the date on which the Future Offering is consummated, and (B) the total amount of securities to be issued in such Future Offering (the limitations referred to in this and the preceding sentence are collectively referred to as the "**Capital Raising Limitations**"). For purposes of this Agreement, "**Fully-Diluted Shares**" means, as of any date of determination, the sum of (X) the number of shares of Common Stock then outstanding, plus (Y) the number of shares of Common Stock directly or indirectly issuable upon exercise, conversion or exchange of outstanding Options and Convertible Securities (including, for the avoidance of doubt, all Conversion Shares issuable upon conversion of the outstanding Preferred Shares), in each case without giving effect to any limitations on exercise, conversion or exchange of such Options or Convertible Securities (including the Preferred Shares).

(ii) Upon the written request of the Lead Investor made within five (5) Business Days after its receipt of a Future Offering Notice (an "**Additional Information Request**"), the Company shall provide the Lead Investor with such additional information regarding the proposed Future Offering, including the name of the purchaser(s), terms and conditions and use of proceeds thereof, as the Lead Investor shall reasonably request. The Lead Investor may exercise its Buyer Purchase Option by delivering written notice (the "**Buyer Purchase Notice Date**") to the Company within five (5) Business Days after the later of (A) the Lead Investor's receipt of a Future Offering Notice or (B) the date on which the Lead Investor has received all of the information reasonably requested in the Additional Information Requests, which notice shall state the quantity of securities being offered in the Future Offering that the Lead Investor will purchase, up to its Allocation Percentage, and that quantity of securities it is willing to purchase in excess of its Allocation Percentage.

(iii) The Company shall have ninety (90) days following the Buyer Purchase Notice Date to sell the securities in the Future Offering (other than the securities to be purchased by the Buyers pursuant to this Section 4.k), upon terms and conditions no more favorable to the purchasers thereof, or less favorable to the Company, than specified in the Future Offering Notice. The exercise of a Buyer Purchase Option shall be contingent upon, and contemporaneous with, the consummation of such Future Offering; provided, that notwithstanding the Lead Investor's exercise of the Buyer Purchase Option with respect to a particular Future Offering, the determination to complete any such Future Offering shall be within the Company's sole discretion. In connection with such consummation, the Lead Investor (if it exercises its Buyer Purchase Option) shall deliver to the Company duly and properly executed originals of any documents reasonably required by the Company to effectuate such Future Offering together with payment of the purchase price for the securities being purchased by the Lead Investor in such Future Offering (the "**Future Offering Purchase Price**"), and the Company or a subsidiary, as appropriate, shall promptly issue to the Lead Investor the securities purchased thereby.

(iv) In the event the Company or any subsidiary, as appropriate, has not sold such securities of the Future Offering within such ninety (90) day period described above, the Company shall not thereafter issue or sell such securities or any other securities subject to this Section 4.k without first offering such securities to the Lead Investor in the manner provided in this Section 4.k. The Capital Raising Limitations shall not apply to any Exempt Issuance (as defined below).

l. [Reserved].

m. Compliance with Laws; Maintenance of Permits. During the Reporting Period, the Company shall, and shall cause each of the subsidiaries to, maintain all material Permits, the lack of which would reasonably be expected to have a Material Adverse Effect and to remain in compliance with all laws in all material respects (including Environmental Laws and laws relating to taxes, employer and employee contributions and similar items, securities, ERISA, employee health and safety, medical devices and biohazardous materials) the failure with which to comply would have a Material Adverse Effect.

n. Patriot Act, Investor Secrecy Act and Office of Foreign Assets Control. As required by federal law and each Buyer's policies and practices, each Buyer may need to obtain, verify and record certain customer identification information and documentation in connection with opening or maintaining accounts, or establishing or continuing to provide services, and, from the date of this Agreement until the end of the Reporting Period, the Company agrees to, and shall cause each of the subsidiaries to, provide such information to each Buyer.

o. Pledge of Securities. The Company acknowledges and agrees that the Securities may be pledged by a holder thereof in connection with a bona fide margin agreement or other loan secured by the Securities. The pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no such holder effecting any such pledge of Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement, any other Transaction Document or the Certificate of Designations, including Section 2.f of this Agreement; provided that such holder and its pledgee shall be required to comply with the provisions of Section 2.f in order to effect a sale, transfer or assignment of Securities to such pledgee. The Company hereby agrees to execute and deliver such documentation as a pledgee of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by a holder of Securities.

p. Prohibition Against Variable Rate Transactions. During the period beginning on the Closing Date and ending on the fifth (5th) anniversary of the Closing Date, the Company and each Subsidiary shall be prohibited from effecting, or entering into an agreement directly or indirectly to effect a Variable Rate Transaction. "**Variable Rate Transaction**" means a transaction in which the Company or any Subsidiary (i) issues or sells any Option or Convertible Securities either (A) at a conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for the shares of Common Stock at any time after the initial issuance of such Option or Convertible Securities, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such Option or Convertible Securities or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Stock, other than pursuant to customary adjustments for stock splits, stock dividends, stock combinations, recapitalizations and similar events or (ii) enters into any agreement (including, without limitation, an equity line of credit) whereby the Company or any Subsidiary may sell securities at a future determined price. For purposes of this Agreement, "**Convertible Securities**" means any stock or securities (other than Options) directly or indirectly convertible into or exchangeable or exercisable for shares of Common Stock and "**Options**" means any rights, warrants or options to subscribe for or purchase shares of Common Stock or Convertible Securities. Any Buyer shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

q. Subsequent Equity Sales.

(i) Between the date hereof and one hundred twenty (120) days following the Closing Date, neither the Company nor any Subsidiary shall (1) issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock, Convertible Securities, Options or similar instruments or (2) file any registration statement or any amendment or supplement thereto, in each case other than as contemplated pursuant to the Registration Rights Agreement or a post-effective amendment to an existing registration statement necessary to continue such registration without lapse, *provided*, *however*, that this Section 4.q(i) shall not apply in respect of any issuances of shares of Common Stock, Options or similar instruments pursuant to, and in accordance with the terms of, an Approved Stock Plan (the "**Exempt Issuances**"). For purposes of this Agreement, "**Approved Stock Plan**" shall mean (i) any share or option plan in existence as of the initial issuance of the Preferred Shares, that was approved by the Company Board and the shareholders of the Company, pursuant to which the Company's securities may be issued to any consultant, employee, officer or director for services provided to the Company (including for this purpose an employee stock purchase plan) or (ii) any employee retention plan established after the Closing Date and approved by a majority of the non-employee members of the Board.

(ii) So long as the Lead Investor and its Affiliates meet or exceed the Ownership Threshold, without the prior consent of the Lead Investor, neither the Company nor any Subsidiary shall issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock, Convertible Securities or Options, *provided*, *however*, that this Section 4.q(ii) shall not apply in respect of (A) Exempt Issuances, or (B) issuances of Common Stock and/or any Convertible Securities or Options that, by their terms, rank junior to the Preferred Stock, provided such issuances pursuant to this clause (B) shall not, in the aggregate, exceed ten percent (10%) of the number of shares of Common Stock outstanding as of the date hereof.

r. Shareholder Approval. The Company shall provide each shareholder entitled to vote at an annual or special meeting of shareholders of the Company (the "**Shareholder Meeting**"), which shall be promptly called and held not later than ninety (90) days following the Closing Date (the "**Shareholder Meeting Deadline**"), a proxy statement, in a form reasonably acceptable to counsel for the Lead Investor, at the expense of the Company, soliciting each such shareholder's affirmative vote at the Shareholder Meeting for approval of resolutions ("**Shareholder Resolutions**") providing for the approval of the removal of the limitations on voting and on conversion set forth in Sections 2(a) and 4 of the Certificate of Designations in compliance with Nasdaq Rule 5635 (the "**Shareholder Approval**", and the date the Shareholder Approval is obtained, the "**Shareholder Approval Date**"), and the Company shall use its reasonable best efforts to solicit its shareholders' approval of such resolutions and to cause the Company Board to recommend to the shareholders that they approve such resolutions. The Company shall be obligated to seek to obtain the Shareholder Approval by the Shareholder Meeting Deadline. If, despite the Company's reasonable best efforts the Shareholder Approval is not obtained on or prior to the Shareholder Meeting Deadline, the Company shall call a special or annual meeting of shareholders every one hundred eighty (180) days thereafter and shall include a proposal and recommendation to approve the Shareholder Resolutions in the proxy statement for each such meeting of shareholders, until such Shareholder Approval is obtained. Each Buyer acknowledges that, as required by the rules of the Principal Market, holders of the shares of Preferred Stock (on an as-converted basis) and Conversion Shares are not eligible to vote such shares with respect to the Shareholder Resolutions and such Buyer agrees to not vote any shares of Preferred Stock (on an as-converted basis) or Conversion Shares held by such Buyer with respect to the Shareholder Resolutions.

s. No Avoidance of Obligations. During the Reporting Period, the Company shall not, and shall cause each of the subsidiaries not to, enter into any agreement which would limit or restrict the Company's or any of the subsidiaries' ability to perform under, or take any other voluntary action to avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it under, this Agreement, the Certificate of Designations, and the other Transaction Documents.

t. Regulation M. Neither the Company, nor any subsidiaries nor any Affiliates of the foregoing shall take any action prohibited by Regulation M under the 1934 Act, in connection with the offer, sale and delivery of the Securities contemplated hereby.

u. Disqualification Events. The Company will notify the Buyers in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Covered Person.

v. No Integrated Offering. Neither the Company nor any of the Subsidiaries, nor any Affiliates of the foregoing or any Person acting on the behalf of any of the foregoing, shall, directly or indirectly, make any offers or sales of any security or solicit any offers to purchase any security, under any circumstances that would require registration of any of the Securities under the 1933 Act or require shareholder approval of the issuance of any of the Securities.

w. Transfer Taxes. The Company shall be responsible for any liability with respect to any transfer, stamp or similar non-income Taxes, if any, that may be payable in connection with the execution, delivery and performance of this Agreement, the other Transaction Documents and the Certificate of Designations, including any such Taxes with respect to the issuance of the Preferred Shares or the Conversion Shares.

x. Short Sales. During the period beginning on the Closing Date and ending on the two (2) year anniversary of the Closing Date, none of the Buyers shall engage in any transaction that would constitute a Short Sale without the prior written consent of the Company.

y. Shareholder Rights Plan. To the extent permitted by applicable law without the requirement for a shareholder vote, no claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Buyer is an "acquiring person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Buyer could be deemed to trigger the provisions of any such plan or arrangement, in each case by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Buyers.

z. Protective Provisions. So long as the Lead Investor and its Affiliates meet or exceed the Ownership Threshold, the Company shall not, either directly or indirectly by amendment, merger, consolidation, recapitalization, reclassification, or otherwise, take any of the actions set forth in Section 8 of the Certificate of Designations without (in addition to any other vote required by law or the Company's Articles of Incorporation) the written consent of the Lead Investor, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

aa. Standstill. Unless approved in advance in writing by a majority of directors sitting on the Company Board other than the Board Designees, the Lead Investor agrees that neither it nor any of its affiliates or associates (as such terms are defined in Rule 12b-2 promulgated by the SEC under the 1934 Act) will, for a period of two (2) years after the Closing Date, alone or in concert with others, initiate any corporate action relating to (i) the nomination of any individual to serve as a director on the Company Board other than the Board Designees in accordance with Section 4.j, or (ii) any business combination, merger, tender offer, sale or acquisition of material assets, recapitalization, reorganization or any other extraordinary transaction involving the Company or any of its subsidiaries. Notwithstanding the foregoing, the restrictions set forth in this Section 4.aa shall terminate and be of no further force and effect if: (x) the Company enters into a definitive agreement with respect to, or publicly announces that it plans to enter into, a transaction involving more than 50% of the Company's equity securities or all or substantially all of the Company's assets (whether by merger, consolidation, business combination, tender or exchange offer, recapitalization, restructuring, sale, equity issuance, or otherwise), or (ii) any Person or group other than the Lead Investor or its Affiliates publicly announces or commences a tender or exchange offer to acquire more than 50% of the Company's equity securities.

bb. Further Instruments and Acts. From the date of this Agreement until the end of the Reporting Period, upon request of any Buyer or Investor (as defined in the Registration Rights Agreement), the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Agreement, the other Transaction Documents and the Certificate of Designations.

5. TRANSFER AGENT INSTRUCTIONS.

a. Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to each holder of Securities), a register for the Preferred Stock in which the Company shall record the name and address of the Person in whose name the Preferred Stock have been issued (including the name and address of each transferee), the number of shares of Preferred Stock held by such Person and the number of Conversion Shares issuable pursuant to the terms of the Preferred Stock. The Company shall keep the register open and available at all times during business hours for inspection of any Buyer or its legal representatives for so long as Buyer is the registered owner of any Preferred Stock.

b. Transfer Agent Instructions. The Company shall issue irrevocable instructions to its transfer agent for the Common Stock in the form attached hereto as Exhibit C (the "**Irrevocable Transfer Agent Instructions**"), and any subsequent transfer agent, to issue certificates or credit shares to the applicable balance accounts at the DTC, registered in the name of each holder of Preferred Shares, or such holder's nominee(s), for the Conversion Shares in such amounts as specified from time to time by each such holder to the Company upon conversion of the Preferred Shares. The Company warrants that no instruction other than the Irrevocable Transfer Agent Instructions referred to in this Section 5 and stop transfer instructions to give effect to the provisions of Section 2.f will be given by the Company to its transfer agent (unless reasonably requested by the transfer agent) and that the Securities shall otherwise be freely transferable on the books and records of the Company as and to the extent provided in this Agreement and the Registration Rights Agreement. If a Buyer effects a sale, assignment or transfer of the Securities in accordance with Section 2.f, the Company shall permit the transfer and shall promptly instruct its transfer agent to issue one or more certificates or credit shares to the applicable balance accounts at DTC in such name and in such denominations as specified by such Buyer to effect such sale, transfer or assignment. In the event that such sale, assignment or transfer involves Conversion Shares sold, assigned or transferred pursuant to an effective registration statement or in compliance with Rule 144, the transfer agent shall issue such shares to such Buyer, assignee or transferee (as the case may be) without any restrictive legend. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the holders of the Preferred Shares by vitiating the intent and purpose of the transactions contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5 will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5, that the holders of the Preferred Shares shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required.

c. Legends.

(i) Such Buyer understands that, subject to Section 5.c(ii) below, the certificates or other instruments representing the Securities, except as set forth below, shall bear a restrictive legend in substantially the following form:

[NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN][THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN] REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

(ii) Certificates evidencing the Conversion Shares shall not contain any legend (including the legend set forth in Section 5.c(i) hereof), (i) while a registration statement covering the resale of such security is effective under the 1933 Act, (ii) following any sale of such Conversion Shares pursuant to Rule 144, (iii) if such Conversion Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Conversion Shares and without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the 1933 Act (including judicial interpretations and pronouncements issued by the staff of the SEC). The Company shall cause its counsel to issue a legal opinion to the Company's transfer agent or the Buyer promptly after the effective date of the registration statement filed pursuant to the Registration Rights Agreement (the "**Effective Date**") if required by such transfer agent to effect the removal of the legend hereunder, or if requested by a Buyer, respectively. If all or any portion of the Preferred Stock is converted at a time when there is an effective registration statement to cover the resale of the Conversion Shares, or if such Conversion Shares may be sold under Rule 144 and the Company is then in compliance with the current public information required under Rule 144, or if the Conversion Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information and without volume or manner-of-sale restrictions required under Rule 144 as to such Conversion Shares or if such legend is not otherwise required under applicable requirements of the 1933 Act (including judicial interpretations and pronouncements issued by the staff of the SEC) then such Conversion Shares, shall be issued free of all legends. The Company agrees that following the Effective Date or at such time as such legend is no longer required under this Section 5.c, it will, no later than the earlier of (i) one (1) day on which the Principal Market is open for trading (a "**Trading Day**") and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the delivery by a Buyer to the Company or the transfer agent of a certificate representing Conversion Shares, issued with a restrictive legend (such date, the "**Legend Removal Date**"), deliver or cause to be delivered to such Buyer a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to its transfer agent that enlarge the restrictions on transfer set forth in this Section 5.c. Certificates for Securities subject to legend removal hereunder shall be transmitted by the transfer agent to the Buyer by crediting the account of the Buyer's prime broker with the Depository Trust Company System as directed by such Buyer. As used herein, "**Standard Settlement Period**" means the standard settlement period, expressed in a number of Trading Days, on the Company's Principal Market with respect to the Common Stock as in effect on the date of delivery of a certificate representing Conversion Shares issued with a restrictive legend.

(iii) In addition to such Buyer's other available remedies, the Company shall pay to a Buyer, in cash, (i) as partial liquidated damages and not as a penalty, for each $1,000 of Conversion Shares (based on the VWAP of the Common Stock on the date such Securities are submitted to the Company's transfer agent) delivered for removal of the restrictive legend and subject to Section 5.c(ii), $10 per Trading Day (increasing to $20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the Legend Removal Date until such certificate is delivered without a legend and (ii) if the Company fails to (a) issue and deliver (or cause to be delivered) to a Buyer by the Legend Removal Date a certificate representing the Securities so delivered to the Company by such Buyer that is free from all restrictive and other legends and (b) if after the Legend Removal Date such Buyer purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Buyer of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock, that such Buyer anticipated receiving from the Company without any restrictive legend, then an amount equal to the excess of such Buyer's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the "**Buy-In Price**") over the product of (A) such number of Conversion Shares that the Company was required to deliver to such Buyer by the Legend Removal Date multiplied by (B) the lowest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by such Buyer to the Company of the applicable Conversion Shares and ending on the date of such delivery and payment under this Section 5.c(iii). As used herein, "**VWAP**" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a National Exchange, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the National Exchange on which the Common Stock is then listed or quoted as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a National Exchange, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL. The obligation of the Company to issue and sell the Preferred Shares to each Buyer at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions; provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

a. Such Buyer shall have executed each of the Transaction Documents to which it is a party and delivered the same to the Company.

b. Such Buyer shall have delivered to the Company the Purchase Price (less any amount withheld pursuant to Section 4.h) for the Preferred Shares being purchased by such Buyer at the Closing by wire transfer of immediately available funds pursuant to the wire instructions provided by the Company.

c. The representations and warranties of such Buyer shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct in all material respects as of such date), and such Buyer shall have performed, satisfied and complied with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by such Buyer at or prior to the Closing Date.

d. The only remaining condition to be satisfied or waived under the CDM SPA in order to consummate the CDM Acquisition shall be the payment of the aggregate Purchase Price to CELP.

e. The Company shall, concurrently with or immediately prior to Closing, enter into that certain Amended and Restated Credit Agreement by and among Allure Global Solutions, Inc., Reflect Systems, Inc., the other Loan Parties signatory thereto, the financial institutions or other entities from time to time parties thereto, and First Merchants Bank as Agent, L/C Issuer and Swing Line Lender (the "**FMB Facility**"), and the documentation for the FMB Facility shall be in a form reasonably satisfactory to the Lead Investor.

7. CONDITIONS TO EACH BUYER'S OBLIGATION TO PURCHASE. The obligation of each Buyer hereunder to purchase the Preferred Shares from the Company at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived only by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

a. The Company shall have executed each of the Transaction Documents to which it is a party and delivered the same to such Buyer.

b. The Company shall have delivered to such Buyer a copy of the Certificate of Designations, certified by the Secretary of State of the State of Minnesota.

c. The representations and warranties of the Company and the Subsidiaries shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct in all material respects as of such date) and the Company and the Subsidiaries shall have performed, satisfied and complied with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Company and the Subsidiaries at or prior to the Closing Date. Such Buyer shall have received a certificate, executed by the Chief Executive Officer of the Company, dated as of the Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by such Buyer.

d. Such Buyer shall have received the opinion of Taft Stettinius & Hollister LLP, dated as of the Closing Date, which opinion will address, among other things, laws of the State of Minnesota, the State of Delaware and federal law applicable to the transactions contemplated hereby, and with respect to matters regarding certain intellectual property of the Company and its Subsidiaries, in form, scope and substance reasonably satisfactory to such Buyer and in substantially the form provided by such firm to the Lead Investor prior to execution of this Agreement, subject to customary assumptions and carve-outs.

e. The Company shall have executed and delivered to such Buyer the Preferred Stock Certificates for the Preferred Shares being purchased by such Buyer at the Closing.

f. The Company Board shall have adopted, and not rescinded or otherwise amended or modified, resolutions authorizing the transactions contemplated by the Transaction Documents in a form reasonably acceptable to such Buyer (the "**Resolutions**").

g. As of the Closing Date, the Company shall have reserved out of its authorized and unissued Common Stock, solely for the purpose of effecting the conversion of the Preferred Shares, at least 13,000,000 shares of Common Stock (such number to be adjusted for any stock splits, stock dividends, stock combinations or other similar transactions involving the Common Stock that are effective at any time after the date of this Agreement).

h. The Irrevocable Transfer Agent Instructions shall have been delivered to and acknowledged in writing by the Company's transfer agent, and the Company shall have delivered a copy thereof to such Buyer.

i. Except as set forth on Schedule 3.k, none of the Company Board or the board of directors, board of managers or other governing body of the Subsidiaries shall have authorized or approved, or taken any action to authorize or approve, and none of the Company or any of the Subsidiaries shall have consummated (or entered into any agreement or arrangement with respect to) (i) any transaction to pay, repay, redeem or refinance any indebtedness of the Company or any of the Subsidiaries, other than the payment of trade payables in the ordinary course of business, consistent with past practices, or (ii) any financing transaction (whether through the issuance of equity or debt securities or otherwise), in each case (A) to occur at any time on or after the date of this Agreement, or (B) that has not been previously publicly disclosed.

j. The Company shall have delivered to such Buyer a certificate evidencing the incorporation or organization and good standing of the Company and each domestic Subsidiary in such entity's state or other jurisdiction of incorporation or organization issued by the Secretary of State (or other applicable authority) of such state or jurisdiction of incorporation or organization as of a date within five (5) Business Days of the Closing Date.

k. The Company shall have delivered to such Buyer a secretary's certificate, dated as of the Closing Date, certifying as to (A) the Resolutions, (B) the Articles of Incorporation, certified as of a date within five (5) Business Days of the Closing Date, by the Secretary of State of the State of Minnesota, and (C) the Bylaws.

l. The Company shall have made all filings under all applicable federal and state securities laws necessary to consummate the issuance of the Securities pursuant to this Agreement in compliance with such laws.

m. The Company shall have delivered to such Buyer a letter from the Company's transfer agent certifying the number of shares of Common Stock outstanding as of a date within two (2) Business Days of the Closing Date.

n. During the period beginning on the date of this Agreement and ending immediately prior to the Closing, there shall not have been any stock dividend, stock split, stock combination, recapitalization or other similar transaction with respect to any capital stock of the Company, including the Common Stock.

o. Each shareholder the Company listed on Schedule 7.o shall have delivered a Voting Agreement, in a form reasonably satisfactory to the Lead Investor, agreeing to vote all Common Stock held by such shareholder in favor of the Shareholder Resolutions at the Shareholder Meeting.

p. From the date of this Agreement to the Closing Date, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, would reasonably be expected to result in a Material Adverse Effect.

q. The Company and the Subsidiaries shall have delivered to such Buyer such other documents relating to the transactions contemplated by this Agreement as such Buyer or its counsel may reasonably request.

8. INDEMNIFICATION.

a. Company Indemnification Obligation. In consideration of each Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's and the Subsidiaries' other obligations under the Transaction Documents and the Certificate of Designations, the Company shall defend, protect, indemnify and hold harmless each Buyer and all of their stockholders, partners, officers, directors, members, managers, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought) and including reasonable attorneys' fees and disbursements (the "**Indemnified Liabilities**"), incurred by any Indemnitees as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company or any of the Subsidiaries in the Transaction Documents or the Certificate of Designations or any other certificate, instrument or document contemplated hereby or thereby, (b) any breach of any covenant, agreement or obligation of the Company or any of the Subsidiaries contained in the Transaction Documents, the Certificate of Designations or any other certificate, instrument or document contemplated hereby or thereby, or (c) any cause of action, suit or claim brought or made against such Indemnitees and arising out of or resulting from the execution, delivery, performance or enforcement of the Transaction Documents or the Certificate of Designations in accordance with the terms hereof or thereof or any other certificate, instrument or document contemplated hereby or thereby in accordance with the terms thereof (other than a cause of action, suit or claim brought or made against an Indemnitee by such Indemnitee's owners, investors or Affiliates). To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities that is permissible under applicable law.

b. Indemnification Procedures. Each Indemnitee shall (i) give prompt written notice to the Company of any claim with respect to which it seeks indemnification or contribution pursuant to this Agreement (provided, however, that the failure of the Indemnitee to promptly deliver such notice shall not relieve the Company of any liability, except to the extent that the Company is prejudiced in its ability to defend such claim) and (ii) permit the Company to assume the defense of such claim with counsel selected by the Company and reasonably satisfactory to the Indemnitee; provided, however, that any Indemnitee entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of the Indemnitee unless (A) the Company has agreed in writing to pay such fees and expenses, (B) the Company shall have failed to assume the defense of such claim within five (5) Business Days of delivery of the written notice of the Indemnitee with respect to such claim or failed to employ counsel selected by the Company and reasonably satisfactory to the Indemnitee, or (C) in the reasonable judgment of the Indemnitee, based upon the opinion of its counsel, a conflict of interest may exist between the Indemnitee and the Company with respect to such claims (in which case, if the Indemnitee notifies the Company in writing that it elects to employ separate counsel at the expense of the Company, the Company shall not have the right to assume the defense of such claim on behalf of the Indemnitee). If the Company assumes the defense of the claim, it shall not be subject to any liability for any settlement or compromise made by the Indemnitee without its consent (but such consent shall not be unreasonably withheld, conditioned or delayed). In connection with any settlement negotiated by the Company, the Company shall not, and no Indemnitee shall be required by the Company to, (I) enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnitee of a release from all liability in respect to such claim or litigation, (II) enter into any settlement that attributes by its terms any liability, culpability or fault to the Indemnitee, or (III) consent to the entry of any judgment that does not include as a term thereof a full dismissal of the litigation or proceeding with prejudice. In addition, without the consent of the Indemnitee, the Company shall not consent to entry of any judgment or enter into any settlement which provides for any obligation or restriction on the part of the Indemnitee other than the payment of money damages which are to be paid in full by the Company. If the Company fails or elects not to assume the defense of a claim pursuant to clause (B) above, or is not entitled to assume or continue the defense of such claim pursuant to clause (C) above, the Indemnitee shall have the right without prejudice to its right of indemnification hereunder to, in its discretion exercised in good faith and upon advice of counsel, to contest, defend and litigate such claim and may settle such claim, either before or after the initiation of litigation, at such time and upon such terms as the Indemnitee deems fair and reasonable; provided that, at least five (5) Business Days prior to any settlement, written notice of such Indemnitee's intention to settle is given to the Company. If requested by the Company, the Indemnitee agrees (at no expense to the Indemnitee) to reasonably cooperate with the Company and its counsel in contesting any claim that the Company elects to contest. Notwithstanding anything herein to the contrary, the Company will not be liable to any Indemnitee under this Agreement (1) for any settlement by an Indemnitee effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (2) to the extent that the Indemnitee's liabilities are attributable to any Indemnitee's breach of the representations, warranties, covenants, or agreements made by such Indemnitee in this Agreement or the other Transaction Documents.

9. GOVERNING LAW; MISCELLANEOUS.

a. Governing Law; Jurisdiction; No Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. Each party hereby irrevocably submits to the exclusive jurisdiction of the Chancery Court of the State of Delaware and any state appellate court therefrom sitting in New Castle County in the State of Delaware (or, if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

b. Counterparts; Execution. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party. A PDF or other reproduction of this Agreement may be executed by one or more parties hereto, and an executed copy of this Agreement may be delivered by one or more parties hereto by e-mail, DocuSign or other electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes. The parties hereto hereby agree that no party shall raise the execution of PDF, DocuSign or other reproduction of this Agreement, or the fact that any signature or document was transmitted or communicated by e-mail or other electronic transmission device, as a defense to the formation of this Agreement.

c. Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

d. Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

e. Entire Agreement; Amendments; Waivers. This Agreement supersedes all other prior oral or written agreements among each Buyer, the Company and the Subsidiaries, their Affiliates and Persons acting on their behalf with respect to the matters discussed herein, and this Agreement and the instruments referenced herein contain the entire understanding of the parties hereto with respect to the matters covered herein and therein. No provision of this Agreement may be waived, modified, supplemented or amended other than by an instrument in writing signed by the Company and the holders of at least a majority of the then-outstanding Preferred Shares, or if prior to the Closing, by the Lead Investor. Any such amendment shall bind all holders of the Preferred Shares. No such amendment shall be effective to the extent that it applies to less than all of the holders of the Preferred Shares then outstanding. No failure or delay on the part of a party in either exercising or enforcing any right under this Agreement shall operate as a waiver of, or impair, any such right. No single or partial exercise or enforcement of any such right shall preclude any other or further exercise or enforcement thereof or the exercise or enforcement of any other right. No waiver of any such right shall be deemed a waiver of any other right. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification or supplement of any provision of any of the Transaction Documents or the Certificate of Designations unless the same consideration also is offered to all of the parties hereto or to the other Transaction Documents or holders of the Preferred Shares, as the case may be. For clarification purposes, this provision constitutes a separate right granted to each Buyer and is not intended for the Company to treat the Buyers as a class and shall not be construed in any way as the Buyers acting in concert or otherwise as a group with respect to the purchase, disposition or voting of securities or otherwise.

f. Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by email; or (iii) one (1) Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and email addresses for such communications shall be:

If to the Company:

Creative Realities, Inc.
13100 Magisterial Drive, Suite 102
Louisville, Kentucky 40223
Email: rick.mills@cri.com
Attention: Richard Mills, Chairman and Chief Executive Officer

With copy to:

Taft Stettinius & Hollister, LLP
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402-2157
Email: BPederson@taftlaw.com
Attention: Bradley A. Pederson

If to a Buyer, to it at the address and email address set forth on the Schedule of Buyers, with copies to such Buyer's representatives as set forth on the Schedule of Buyers, or, in the case of a Buyer or any other party named above, at such other address and/or email address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) generated by return receipt of an email or (C) provided by a nationally recognized overnight delivery service shall be rebuttable evidence of personal service, receipt by email or deposit with a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

g. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including any purchasers of the Preferred Shares. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the holders of at least a majority of the Preferred Shares then outstanding, including by merger or consolidation, except pursuant to a Fundamental Transaction with respect to which the Company is in compliance with Section 5 of the Certificate of Designations. A Buyer may assign some or all of its rights hereunder without the consent of the Company; provided, however, that any such assignment shall not release such Buyer from its obligations hereunder unless such obligations are assumed by such assignee and the Company has consented to such assignment and assumption, which consent shall not be unreasonably withheld. Notwithstanding anything to the contrary contained in the Transaction Documents or the Certificate of Designations, the Buyers shall be entitled to pledge the Securities in connection with a bona fide margin account or other loan or financing arrangement secured by the Securities.

h. No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns and, to the extent provided in Section 8, each Indemnitee, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

i. Survival. Unless this Agreement is terminated under Section 9.k, the representations and warranties of the Company and the Buyers contained in Sections 2 and 3, the agreements and covenants set forth in Sections 4 and 5 and this Section 9, and the indemnification provisions set forth in Section 8, shall survive the Closing. Each Buyer shall be responsible only for its own representations, warranties, agreements and covenants hereunder.

j. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

k. Termination. In the event that the Closing shall not have occurred on or before December 15, 2025, the Lead Investor shall have the option to terminate this Agreement at the close of business on or after such date by delivery of written notice to the Company without liability of any party to any party; provided, however, that the right to terminate this Agreement pursuant to this Section 9.k shall not be available to the extent any material breach of any representation, warranty, covenant or agreement set forth in this Agreement by the Lead Investor has been the principal cause of, or primarily resulted in, the failure of the transactions contemplated by this Agreement to be consummated on or before such date. Notwithstanding the foregoing, if this Agreement is terminated pursuant to this Section 9.k, the Company shall be obligated to reimburse the Lead Investor for its expenses through and including the applicable date of termination pursuant to Section 4.h.

l. Placement Agent. The Company represents and warrants to each of the Buyers that, except as set forth in Schedule 9.l, it has not engaged a placement agent, broker or financial advisor in connection with the transactions contemplated hereby and there are no fees, commissions or expenses payable to any broker, finder or agent relating to or arising out of the transactions contemplated hereby. The Company shall be responsible for the payment of any placement agent's fees or broker's commissions relating to or arising out of the transactions contemplated hereby. The Company shall pay, and hold each of the Buyers harmless against, any liability, loss or expense (including attorneys' fees and out-of-pocket expenses) arising in connection with any claim for any such payment.

m. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties thereto express their mutual intent, and no rules of strict construction will be applied against any party.

n. Remedies. The parties hereto agree that (i) irreparable harm would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, and (ii) money damages or other legal remedies would not be an adequate remedy for any such harm. Each Buyer and each holder of the Securities shall have all rights and remedies set forth in the Transaction Documents and the Certificate of Designations and all rights and remedies that such Buyers and holders have been granted at any time under any other agreement or contract and all of the rights that such Buyers and holders have under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security or proving actual damages), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law.

o. Payment Set Aside. To the extent that the Company or any of the Subsidiaries makes a payment or payments to the Buyers hereunder or pursuant to the Certificate of Designations or under any of the other Transaction Documents or the Buyers enforce or exercise their rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company or such Subsidiary, by a trustee, receiver or any other Person under any law (including any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

p. Independent Nature of Buyers. The obligations of each Buyer hereunder are several and not joint with the obligations of any other Buyer, and no Buyer shall be responsible in any way for the performance of the obligations of any other Buyer hereunder. Each Buyer shall be responsible only for its own representations, warranties, agreements and covenants hereunder. The decision of each Buyer to purchase the Securities pursuant to this Agreement has been made by such Buyer independently of any other Buyer and independently of any information, materials, statements or opinions as to the business, affairs, operations, assets, properties, liabilities, results of operations, condition (financial or otherwise) or prospects of the Company or any of the Subsidiaries which may have been made or given by any other Buyer or by any agent or employee of any other Buyer, and no Buyer or any of its agents or employees shall have any liability to any other Buyer (or any other Person or entity) relating to or arising from any such information, materials, statements or opinions. Nothing contained herein, and no action taken by any Buyer pursuant hereto or thereto (including a Buyer's purchase of Preferred Shares at the Closing at the same time as any other Buyer or Buyers), shall be deemed to constitute the Buyers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Buyers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated hereby. Each Buyer shall be entitled to independently protect and enforce its rights, including the rights arising out of this Agreement, the other Transaction Documents and the Certificate of Designations, and it shall not be necessary for any other Buyer to be joined as an additional party in any proceeding for such purpose.

q. Interpretative Matters. Unless the context otherwise requires, (i) all references to Sections, Schedules or Exhibits are to Sections, Schedules or Exhibits contained in or attached to this Agreement, (ii) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP, (iii) words in the singular or plural include the singular and plural and pronouns stated in either the masculine, the feminine or neuter gender shall include the masculine, feminine and neuter, (iv) the use of the word "including" in this Agreement shall be by way of example rather than limitation, and (v) the word "or" shall not be exclusive. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement, any of the other Transaction Documents or the Certificate of Designations in connection with the transactions contemplated hereby or thereby shall be deemed to be representations and warranties by the Company, as if made by the Company pursuant to Section 3 hereof, as of the date of such certificate or instrument (including for purposes of Section 7 hereof).

* * * * * *

IN WITNESS WHEREOF, the Buyers and the Company have caused this Securities Purchase Agreement to be duly executed as of the date first written above.

COMPANY:

CREATIVE REALITIES, INC.

By: /s/ Richard Mills
Name: Richard Mills
Title: Chairman and Chief Executive Officer

LEAD INVESTOR AND BUYER:

NORTH RUN STRATEGIC OPPORTUNITIES FUND I, LP

By: North Run Strategic Opportunities Fund I GP, LLC, its general partner

By: /s/ Thomas Ellis
Name: Thomas Ellis
Title: Member

BUYER:

NR-SOF I (Co-Invest I), LP

By: North Run Strategic Opportunities Fund I GP, LLC, its general partner

By: /s/ Thomas Ellis
Name: Thomas Ellis
Title: Member

EXHIBITS

Exhibit A	Certificate of Designations
Exhibit B	Form of Registration Rights Agreement
Exhibit C	Form of Irrevocable Transfer Agent Instructions

Exhibit A

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF SERIES A CONVERTIBLE PREFERRED STOCK OF CREATIVE REALITIES, INC.

Creative Realities, Inc. (the "**Company**"), a corporation organized and existing under the Business Corporation Act of the State of Minnesota, does hereby certify that, pursuant to authority conferred upon the Board of Directors of the Company by the Articles of Incorporation of the Company, as amended, the Board of Directors of the Company duly adopted resolutions (i) authorizing a series of the Company's previously authorized Preferred Stock, par value $0.01 per share ("**Preferred Stock**"), and (ii) providing for the designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of 30,000 shares of "**Series A Convertible Preferred Stock**" of the Company, as follows:

RESOLVED, that the Company is authorized to issue 30,000 shares of Series A Convertible Preferred Stock (the "**Preferred Shares**"), with a stated value of $1,000 per share, which shall have the following powers, designations, preferences and other special rights:

(1) Dividends.

(a) The Preferred Shares shall bear dividends at a rate of five and one-quarter percent (5.25%) per annum, which shall accrue daily and compound on a quarterly basis from the Issuance Date (as defined below), on the Stated Value (as defined below) (the "**Accruing Dividend**"). Such dividends shall accrue whether or not they have been declared and whether or not there are profits, surplus or other funds of the Company legally available for the payment of dividends. Such dividends shall not be paid or payable in cash, except, at the Company's option, and subject to applicable law, such dividends may be payable quarterly in cash beginning on the five (5) year anniversary of the Issuance Date, with the period between the Issuance Date and such five (5) year anniversary being defined as the "**Guaranteed Term**". The Accruing Dividend shall cease to accrue upon the end of the Guaranteed Term.

(b) To the extent that, during the Guaranteed Term, (i) the Company undergoes any liquidation, dissolution, winding up, or Fundamental Transaction, or (ii) the Company elects to effect a Mandatory Conversion of the Preferred Shares, (each, a "**Make Whole Event**"), then, immediately prior to the effective time of such Make Whole Event and without further action by any party, the amount of Accruing Dividend accrued on the Preferred Shares shall automatically be increased by an amount equal to any additional Accruing Dividend that would have otherwise accrued on the Preferred Shares between the date of the Make Whole Event and the end of the Guaranteed Term (the "**Make Whole Payment**"), and the Accruing Dividend shall thereafter cease to accrue.

(c) In addition, subject to the rights of the holders, if any, of the shares of other classes or series of Preferred Stock of the Company that are of equal rank with the Preferred Shares as to payments of Preferred Funds (as defined below) (the "**Pari Passu Shares**"), if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of the Company's common stock, par value $0.01 per share ("**Common Stock**"), by way of return of capital or otherwise (including any dividend or other distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the Issuance Date, then, in each such case, each holder of Preferred Shares shall be entitled to receive such Distribution, and the Company shall make such Distribution to such holder, exactly as if such holder had converted such holder's Preferred Shares in full (and, as a result, had held all of the Conversion Shares (as defined below) that such holder would have received upon such conversion, without regard to any limitations or restrictions on conversion) immediately prior to the record date for such Distribution, or if there is no record date therefor, immediately prior to the effective date of such Distribution (but without the holder's actually having to so convert such holder's Preferred Shares). For the avoidance of doubt, payments under the preceding sentence shall be made concurrently with the Distribution to the holders of Common Stock.

(2) Holder's Conversion of Preferred Shares. The Preferred Shares shall be convertible into shares of Common Stock on the following terms and conditions:

(a) Conversion Rights.

(i) Optional Conversion. At any time or times on or after the Issuance Date, any holder of Preferred Shares shall be entitled to convert any whole number of Preferred Shares into fully paid and nonassessable shares (the "**Conversion Shares**") (rounded to the nearest whole share in accordance with Section (2)(d)(vi)) of Common Stock at the Conversion Rate (as defined below).

(ii) Mandatory Conversion. On or after the three (3) year anniversary of the Issuance Date, if on any date (x) the Company's EBITDA for the four consecutive calendar quarters immediately preceding such date equals or exceeds $30.0 million, (y) the Net Debt Leverage Ratio of the Company as of such date is less than 1.5X, and (z) the closing price of the Common Stock on the Principal Market equals or exceeds three hundred percent (300%) of the then-applicable Conversion Price, as adjusted pursuant to Section 2(c) hereunder, for forty-five (45) Trading Days during any sixty (60) consecutive Trading Day Period, then the Company shall have the right, upon ten (10) Trading Days' written notice, to cause the conversion of all of the outstanding Preferred Shares into Conversion Shares (rounded to the nearest whole share in accordance with Section (2)(d)(vi)) at the Conversion Rate (such conversion being a "**Mandatory Conversion**" and the date of such conversion being the "**Mandatory Conversion Date**").

(iii) Limitations on Conversion. Notwithstanding anything to the contrary in this Section 2(a), in no event shall any holder of Preferred Shares be entitled or required to convert Preferred Shares into a number of Conversion Shares in excess of that number of Conversion Shares that, upon giving effect to such conversion, would either (i) cause the aggregate number of shares of Common Stock beneficially owned by such holder and its Affiliates and any other persons or entities whose beneficial ownership of Common Stock would be aggregated with such holder's for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), including shares held by any "group" of which the holder is a member (any such persons and entities being referred to herein as "**Attribution Parties**"), to exceed the Beneficial Ownership Limitation (as defined below), or (ii) cause the aggregate number of shares of Common Stock issued as Conversion Shares upon conversion of all Preferred Shares to exceed 2,102,734 shares (as adjusted to reflect any share splits, reverse share splits or similar recapitalizations that occur after the Issuance Date) (the "**Exchange Cap**"). Subject to the Beneficial Ownership Limitation, a holder of Preferred Shares shall not be issued in the aggregate, upon the conversion of Preferred Shares into Conversion Shares, a number of Conversion Shares greater than the product of the Exchange Cap multiplied by a fraction, the numerator of which is the total amount of shares of Common Stock issuable to such holder upon the conversion of its Preferred Shares and the denominator of which is the total amount of shares of Common Stock issuable to all purchasers of Preferred Shares pursuant to the Securities Purchase Agreement (as defined below) (or their respective assignees) upon the conversion of all Preferred Shares issued pursuant to the Securities Purchase Agreement (with respect to each holder, the "**Exchange Cap Allocation**"). In the event that any holder of Preferred Shares shall sell or otherwise transfer any of its Preferred Shares, the transferee shall be allocated such holder's Exchange Cap Allocation, and the restrictions of the prior sentence shall apply to such transferee with respect to the Exchange Cap Allocation allocated to such transferee. For purposes of the foregoing sentences, the number of shares of Common Stock beneficially owned by a holder and its Affiliates and Attribution Parties shall include the number of Conversion Shares issuable upon conversion of the Preferred Shares with respect to which such determination is being made, but shall exclude the number of shares of Common Stock that would be issuable upon (i) conversion of the remaining, nonconverted Preferred Shares beneficially owned by the holder and its Affiliates and any Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section (2)(a), beneficial ownership shall be calculated in accordance with Section 13(d) of the 1934 Act and the rules and regulations promulgated thereunder, it being acknowledged by the holder that the Company is not representing to the holder that such calculation is in compliance with Section 13(d) of the 1934 Act and the holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section (2)(a) applies, the determination of whether Preferred Shares are convertible (in relation to other securities owned by the holder of such Preferred Shares together with any Affiliates and Attribution Parties) and of which portion of such Preferred Shares are convertible shall be in the sole discretion of such holder, and the submission of a Conversion Notice (as defined below) shall be deemed to be the holder's determination of whether its Preferred Shares are exercisable (in relation to other securities owned by such holder together with any Affiliates and Attribution Parties) and of which portion of such Preferred Shares are exercisable, in each case subject to the Beneficial Ownership Limitation and the Exchange Cap, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the 1934 Act and the rules and regulations promulgated thereunder. For purposes of this Section (2)(a), in determining the number of outstanding shares of Common Stock, a holder of Preferred Shares may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the SEC, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a holder of Preferred Shares, the Company shall within one (1) Trading Day confirm orally and in writing to the holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including Preferred Shares, by such holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "**Beneficial Ownership Limitation**" shall be 19.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of Conversion Shares issuable upon conversion of a holder's Preferred Shares. A holder of Preferred Shares, upon written notice to the Company, may decrease (and thereafter increase) the Beneficial Ownership Limitation provisions of this Section (2)(a), provided that the Beneficial Ownership Limitation in no event exceeds 19.99% (or, if Shareholder Approval (as such term is defined in the Securities Purchase Agreement) ("**Shareholder Approval**") is obtained, 49.99%) of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon conversion of Preferred Shares held by such holder and the provisions of this Section (2)(a) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such written notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section (2)(a) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. Notwithstanding the foregoing, following receipt by the Company of the Shareholder Approval (as such term is defined in the Securities Purchase Agreement), a holder of Preferred Shares may, by written notice to the Company, elect for the Exchange Cap to no longer apply to the conversion of such holder's Preferred Shares or for any other purposes relating to this Certificate of Designations, which will not be effective until the 61st day after such written notice is delivered to the Company.

(b) Conversion Rate. The number of Conversion Shares issuable upon conversion of each of the Preferred Shares pursuant to Section (2)(a) shall be determined according to the following formula (the "**Conversion Rate**"):

$$\frac{\text{Liquidation Preference}}{\text{Conversion Price}}$$

For purposes of this Certificate of Designations, the following terms shall have the following meanings:

(i) "**Affiliate**" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 144 ("**Rule 144**") under the Securities Act of 1933, as amended (the "**1933 Act**"). Any investment fund or managed account that is managed on a discretionary basis by the same investment manager as a holder will be deemed to be an Affiliate of the holder.

(ii) "**Conversion Notice**" means the form of Conversion Notice attached hereto as Exhibit I.

(iii) "**Conversion Price**" means, on a per share basis, as of any Conversion Date (as defined below) or other date of determination, an amount equal to $3.00, subject to adjustment as provided herein.

(iv) "**Conversion Shares**" means shares of Common Stock issuable upon conversion of Preferred Shares.

(v) "**Convertible Security**" means any stock or securities (other than Options) directly or indirectly convertible into or exchangeable or exercisable for shares of any class of Common Stock.

(vi) "**Debt Facilities**" means (a) those credit facilities set forth in that certain [Amended and Restated Credit Agreement dated effective as of [●], 2025 by and among Allure Global Solutions, Inc., a Georgia corporation, the Company, and Reflect Systems, Inc., a Delaware corporation, jointly and severally, the other Loan Parties signatory hereto, as Loan Parties, the financial institutions or other entities from time to time parties hereto, each as a Lender, and FIRST MERCHANTS BANK, an Indiana bank, as Agent, L/C Issuer and Swing Line Lender], and (b) that certain Promissory Note dated March 14, 2025 issued by the Company and Reflect Systems, Inc., a Delaware corporation, as Borrowers, in the principal amount of $4.0 million and made payable to RSI Exit Corporation, a Texas corporation, in its capacity as the representative of the Eligible Stockholders (as defined therein), as the same may be amended, restated, modified or supplemented and in effect from time to time.

(vii) "**EBITDA**" means, with respect to the Company and its Subsidiaries on a consolidated basis for any period, net income for such period, adjusted as follows: (a) subtract income or add back loss from discontinued operations, to the extent already included in net income, (b) subtract extraordinary, non-recurring, or unusual gains; and (c) add back, without duplication and to the extent deducted in determining net income for such period, the sum of: (i) interest expense, (ii) income tax expense, (iii) depreciation and amortization expense, (iv) non-cash stock-based compensation charges, and (v) non-recurring extraordinary charges or expenses as determined by the Lead Investor in its good faith and reasonable discretion after consultation with the Company. EBITDA shall also include the Company's pro rata share of EBITDA of each unconsolidated joint venture and Subsidiary in which such the Company or its Subsidiaries hold an interest.

(viii) "**Fundamental Transaction**" means any event or series of events in which (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person (other than for the purpose of changing the Company's name and/or the jurisdiction of incorporation of the Company to a different state, or a holding company for the Company or a similar transaction pursuant to which the surviving company remains a public company), (ii) the Company (and its subsidiaries, taken as a whole), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding shares of voting stock of the Company in the aggregate (including Common Stock and any voting preferred stock), (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding shares of voting stock of the Company in the aggregate (including Common Stock and any voting preferred stock) (not including any shares of Common Stock or preferred stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination).

(ix) "**Issuance Date**" means, with respect to each Preferred Share, the date of issuance of such Preferred Share.

(x) "**Lead Investor**" means North Run Strategic Opportunities Fund I, LP.

(xi) "**Liquidation Preference**" means, with respect to each Preferred Share, the Stated Value plus an amount per share equal to any dividends (if any) accrued and unpaid through the date of determination of the amount of the Liquidation Preference, including, if applicable, any Make Whole Payment.

(xii) "**Net Debt Leverage Ratio**" means, as of a specific date, the ratio of (x) the aggregate indebtedness of the Company and its Subsidiaries (including all obligations for borrowed money, obligations evidenced by notes, bonds, debentures or similar instruments, capital leases (to the extent required to be reflected as indebtedness under GAAP) and drawn letters of credit (to the extent unreimbursed)) less the aggregate cash and cash equivalents held by the Company and its Subsidiaries as of such date to (y) the Company's EBITDA for the four consecutive calendar quarters immediately preceding such date.

(xiii) "**Options**" means any rights, warrants or options to subscribe for or purchase shares of any class of Common Stock or Convertible Securities.

(xiv) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or a government or any department or agency thereof or any other legal entity.

(xv) "**Principal Market**" means, with respect to the Common Stock, the Nasdaq Capital Market; provided that, (A) if the Common Stock is listed on any of the NYSE American, The New York Stock Exchange, the Nasdaq Global Market, or the Nasdaq Global Select Market (or a successor to any of the foregoing) (each, a "**National Exchange**"), then Principal Market with respect to the Common Stock shall mean such National Exchange, and (B) if the Common Stock ceases to be listed or quoted on any National Exchange, then Principal Market with respect to the Common Stock shall mean the principal securities exchange or trading market for the Common Stock; and with respect to any other security, Principal Market shall mean the principal securities exchange or trading market for such security.

(xvi) "**Registration Rights Agreement**" means that certain Registration Rights Agreement between the Company and the purchasers of Preferred Shares, as the same may be amended, restated, modified or supplemented and in effect from time to time.

(xvii) "**Securities**" means, collectively, the Preferred Shares and the Conversion Shares.

(xviii) "**Securities Purchase Agreement**" means that certain Securities Purchase Agreement between the Company and the purchasers of Preferred Shares, as the same may be amended, restated, modified or supplemented and in effect from time to time.

(xix) "**Stated Value**" means One Thousand Dollars ($1,000).

(xx) "**Subsidiary**" means any entity in which the Company, directly or indirectly, owns a majority or more of the outstanding capital stock, equity or similar interests or voting power of such entity, whether directly or through any other Subsidiary.

(xxi) "**Trading Day**" means any day on which the Principal Market is open for trading.

(xxii) "**VWAP**" means, for any security as of any date, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a National Exchange, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date if such date is not a Trading Day) on the National Exchange on which the Common Stock is then listed or quoted as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a National Exchange, the volume weighted average price of the Common Stock for such date (or the nearest preceding date if such date is not a Trading Day) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

(c) Adjustment to Conversion Price. In order to prevent dilution of the rights granted under this Certificate of Designations, the Conversion Price will be subject to adjustment from time to time as provided in this Section (2)(c).

(i) Stock Dividends and Stock Splits. If the Company, at any time after the Issuance Date: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any Conversion Shares issued by the Company upon conversion of Preferred Shares), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon the conversion of the Preferred Shares shall be proportionately adjusted such that the aggregate Conversion Price of the Preferred Shares shall remain unchanged. Any adjustment made pursuant to this Section (2)(c)(i) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date of the applicable event in the case of a subdivision, combination or re-classification.

(ii) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section (2)(c)(i) above, if at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Stock (the "**Purchase Rights**"), then the holders of Preferred Shares will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which each such holder could have acquired if such holder had held the number of shares of Common Stock acquirable upon complete conversion of such holder's Preferred Shares (without regard to any limitations on exercise thereof, including without limitation, the Beneficial Ownership Limitation or the Exchange Cap) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that to the extent that the holder's right to participate in any such Purchase Right would result in the holder exceeding the Beneficial Ownership Limitation or the Exchange Cap, then the holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for such holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation or the Exchange Cap).

(iii) Certain Events. If any event occurs of the type contemplated by the provisions of Sections (2)(c)(i) and (2)(c)(ii) but not expressly provided for by such provisions, then the Company's Board of Directors will make an appropriate adjustment to the Conversion Price so as to protect the rights of the holders of the Preferred Shares; provided, however, that no such adjustment will increase the aggregate Conversion Price of the Preferred Shares.

(iv) Notices.

(A) Whenever the Conversion Price is adjusted pursuant to any provision of this Section (2)(c), the Company shall promptly deliver to each holder of Preferred Stock by email a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(B) If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be filed at each office or agency (if any) maintained for the purpose of conversion of the Preferred Shares, and shall cause to be delivered by email to each Holder at its last email address as it shall appear upon the stock books of the Company, at least ten (10) Trading Days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder shall remain entitled to convert the Conversion Amount of the Preferred Shares (or any part hereof) during the 10-Trading Day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

(d) Mechanics of Conversion.

(i) Delivery of Conversion Shares Upon Conversion. The date on which a conversion shall be deemed effective (the "**Conversion Date**") shall be the earlier of (x) the Mandatory Conversion Date and (y) the Trading Day that the Conversion Notice, completed and executed, is sent via email to, and received during regular business hours prior to 5:00 pm Eastern Time by, the Company, provided, that the original certificate(s) (if any) representing the Preferred Shares being converted, duly endorsed, and the accompanying Notice of Conversion, are received by the Company by the Share Delivery Date (as defined below). Not later than the earlier of (i) one (1) Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) after each Conversion Date (the "**Share Delivery Date**"), the Company shall deliver, or cause to be delivered, to the converting holder (A) the number of Conversion Shares being acquired upon the conversion of the Preferred Shares, which Conversion Shares shall be free of restrictive legends and trading restrictions except for any legends and restrictions that may be required by applicable law, and (B) a bank check in the amount of declared and unpaid dividends that may be payable in cash, if any. The Company shall deliver the Conversion Shares electronically through The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("**DWAC**") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Conversion Shares to or resale of the Conversion Shares by the Holder or (B) the Conversion Shares are eligible for resale by the holder without volume or manner-of-sale limitations pursuant to Rule 144, and otherwise by either delivery of a book-entry statement or physical delivery of a certificate, registered in the Company's share register in the name of the holder or its designee. As used herein, "**Standard Settlement Period**" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the Conversion Date.

(ii) Failure to Deliver Conversion Shares. If, in the case of any Conversion Notice, such Conversion Shares are not delivered to or as directed by the applicable holder by the Share Delivery Date, the holder shall be entitled to elect by written notice to the Company at any time on or before its receipt of such Conversion Shares, to rescind such Conversion, in which event the Company shall promptly return to the holder any original certificate for Preferred Shares delivered to the Company and the holder shall promptly return to the Company the Conversion Shares issued to such holder pursuant to the rescinded Conversion Notice.

(iii) Obligation Absolute. The Company's obligation to issue and deliver the Conversion Shares upon conversion of Preferred Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such holder or any other Person of any obligation to the Company or any violation or alleged violation of law by such holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to such holder in connection with the issuance of such Conversion Shares; provided, however, that such delivery shall not operate as a waiver by the Company of any such action that the Company may have against such holder. In the event a holder shall elect to convert any or all of the Stated Value of its Preferred Shares, the Company may not refuse conversion based on any claim that such holder or anyone associated or affiliated with such holder has been engaged in any violation of law, agreement or for any other reason, unless an injunction from a court, on notice to holder, restraining and/or enjoining conversion of all or part of the Preferred Shares of such holder shall have been sought and obtained, and the Company posts a surety bond for the benefit of such holder in the amount of 150% of the Stated Value of Preferred Shares which are subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the underlying dispute and the proceeds of which shall be payable to such holder to the extent it obtains judgment. In the absence of such injunction, the Company shall issue Conversion Shares and, if applicable, cash, upon a properly noticed conversion. If the Company fails to deliver to a holder such Conversion Shares pursuant to Section (2)(d)(i) on the Share Delivery Date applicable to such conversion, the Company shall pay to such Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Stated Value of the Preferred Shares being converted, $10 per Trading Day (increasing to $20 per Trading Day on the third Trading Day after the Share Delivery Date) for each Trading Day after the Share Delivery Date until such Conversion Shares are delivered or holder rescinds such conversion. Nothing herein shall limit a holder's right to pursue actual damages for the Company's failure to deliver Conversion Shares within the period specified herein and such holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit a holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

(iv) Compensation for Buy-In on Failure to Timely Deliver Conversion Shares Upon Conversion. In addition to any other rights available to a holder, if the Company fails for any reason to deliver to a holder the applicable Conversion Shares by the Share Delivery Date pursuant to Section (2)(d)(i), and if after such Share Delivery Date such holder is required by its brokerage firm to purchase (in an open market transaction or otherwise), or the holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by such holder of the Conversion Shares which such Holder was entitled to receive upon the conversion relating to such Share Delivery Date (a "**Buy-In**"), then the Section (2)(d)(i) shall (A) pay in cash to such holder (in addition to any other remedies available to or elected by such holder) the amount, if any, by which (x) such holder's total purchase price (including any brokerage commissions) for the Common Stock so purchased exceeds (y) the product of (1) the aggregate number of shares of Common Stock that such holder was entitled to receive from the conversion at issue multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions) and (B) at the option of such holder, either reissue (if surrendered) the Preferred Shares equal to the number of Preferred Shares submitted for conversion (in which case, such conversion shall be deemed rescinded) or deliver to such holder the number of shares of Common Stock that would have been issued if the Company had timely complied with its delivery requirements under Section (2)(d)(i). For example, if a holder purchases shares of Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted conversion of Preferred Shares with respect to which the actual sale price of the Conversion Shares (including any brokerage commissions) giving rise to such purchase obligation was a total of $10,000 under clause (A) of the immediately preceding sentence, the Company shall be required to pay such holder $1,000. The holder shall provide the Company written notice indicating the amounts payable to such holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Conversion Shares upon conversion of the Preferred Shares as required pursuant to the terms hereof.

(v) Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock for the sole purpose of issuance upon conversion of the Preferred Shares as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the holders of Preferred Shares, not less than such aggregate number of shares of the Common Stock as shall (subject to the terms and conditions set forth in the Securities Purchase Agreement) be issuable (taking into account the adjustments and restrictions as provided for herein) upon the conversion of the then outstanding Preferred Shares. The Company covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

(vi) Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of the Preferred Shares. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up the number of Conversion Shares to the next whole share.

(vii) Transfer Taxes and Expenses. The issuance of Conversion Shares on conversion of the Preferred Shares shall be made without charge to any holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such Conversion Shares, provided that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such Conversion Shares upon conversion in a name other than that of the holders of such Preferred Shares and the Company shall not be required to issue or deliver such Conversion Shares unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. The Company shall pay all transfer agent fees required for same-day processing of any Conversion Notice and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Conversion Shares.

(3) Reissuance of Certificates. In the event of a conversion pursuant to this Certificate of Designations of less than all of the Preferred Shares represented by a particular Preferred Stock Certificate, the Company shall promptly cause to be issued and delivered to the holder of such Preferred Shares a stock certificate representing the remaining Preferred Shares which have not been so converted.

(4) Voting Rights. The holders of Preferred Shares shall be entitled to notice of all shareholder meetings at which holders of Common Stock shall be entitled to vote. Each holder of Preferred Shares shall be entitled to vote such Preferred Shares on an as-converted basis (based upon the aggregate number of Conversion Shares into which such holder's Preferred Shares are then convertible, giving effect to any limitations on conversion set forth in Section 2(a) above) with respect to all matters on which holders of Common Stock are entitled to vote, voting together with the Common Stock as a single class, and shall otherwise be entitled to such voting rights as required by applicable law.

(5) Redemption.

(a) Mandatory Redemption upon Fundamental Transaction

(i) In addition to all other rights of the holders of Preferred Shares contained herein, simultaneous with or after the occurrence of a Fundamental Transaction, the Company shall be obligated to redeem all outstanding Preferred Shares at a price per Preferred Share equal to the greater of (i) the applicable Liquidation Preference, and (ii) the product of (A) the Conversion Rate at such time, multiplied by (B) either (x) in the event of a Fundamental Transaction in which all of the outstanding shares are exchanged for, or converted into the right to receive, consideration consisting solely of cash, then the consideration per share of Common Stock payable in such Fundamental Transaction, or (y) otherwise, the VWAP on the date immediately preceding the closing of the Fundamental Transaction (the "**Fundamental Transaction Redemption Price**").

(ii) No later than 20 days prior to the consummation of a Fundamental Transaction, but not prior to the public announcement of such Fundamental Transaction, the Company shall deliver written notice thereof via electronic mail and overnight courier (a "**Notice of Fundamental Transaction**") to each holder of Preferred Shares, including notice of the amount of the applicable Fundamental Transaction Redemption Price, as calculated pursuant to Section (5)(a). Prior to the consummation of such Fundamental Transaction, the Company shall make arrangements (which may include obtaining a written agreement from the acquiring entity, as applicable, that payment of the Fundamental Transaction Redemption Price shall be made, subject to Section 5(a)(iv), to the holder upon the consummation of the Fundamental Transaction) satisfactory to the holder, as determined by the holder in its sole discretion, that the Fundamental Transaction Redemption Price will be paid, in full, to the holder prior to or concurrently with the consummation of such Fundamental Transaction. The Company hereby acknowledges and agrees that each such holder shall have the right to apply for an injunction in any state or federal courts sitting in the State of Delaware to prevent the closing of the Fundamental Transaction unless and until such arrangements satisfactory to the holder have been made.

(iii) Subject to Section 5(a)(iv), the Company shall deliver the applicable Fundamental Transaction Redemption Price prior to or concurrently with the consummation of the Fundamental Transaction; provided that if the Company is unable to redeem all of the Preferred Shares to be redeemed, the Company shall redeem an amount from each holder of Preferred Shares being redeemed equal to such holder's pro-rata amount (based on the number of Preferred Shares held by such holder relative to the number of Preferred Shares outstanding) of all Preferred Shares being redeemed. If the Company shall fail to redeem all of the Preferred Shares, in addition to any remedy such holder of Preferred Shares may have under this Certificate of Designation, the Securities Purchase Agreement and the Registration Rights Agreement, the applicable Fundamental Transaction Redemption Price payable in respect of such unredeemed Preferred Shares shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full.

(iv) If any portion of the consideration payable to holders of Common Stock in connection with a Fundamental Transaction is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the definitive agreement for the Fundamental Transaction shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be paid to the holders of Preferred Shares in accordance with Section 5(a)(i) as if the Initial Consideration were the only consideration payable in connection with such Fundamental Transaction; and (b) the holders of the Preferred Shares shall receive, if and when any Additional Consideration becomes payable to holders of the Common Stock, the amount of Additional Consideration that such holders would have been entitled to had all of their Preferred Shares been converted into shares of Common Stock immediately prior to the consummation of the Fundamental Transaction at the then-applicable Conversion Rate.

(b) Redemption Price Payable Out of Cash Legally Available therefor; Priority of Payment. Notwithstanding anything herein to the contrary, any redemption of Preferred Shares pursuant to the terms of this Certificate of Designations (any such redemption, a "**Redemption**") shall be payable out of any cash legally available therefor. At the time of any Redemption, the Company shall take all actions required or permitted under Minnesota law to permit the Redemption and to make funds legally available for such Redemption. To the extent that the Company has insufficient funds to redeem all of the Preferred Shares subject to such Redemption upon the date of such Redemption, the Company shall, to the extent it is legally permissible to do so, (i) use available funds to redeem a *pro rata* portion of each holder's Preferred Shares subject to such Redemption; and (ii) use its reasonable best efforts to undertake an equity and/or debt offering for the purpose of using the proceeds from such offering to fund the Redemption. Any payments provided for in this Certificate of Designations in connection with a Redemption shall have priority to payments to holders of Common Stock or any other class of capital stock of the Company that ranks junior to the Preferred Stock in connection with a Fundamental Transaction, and the Company shall not (and shall cause the acquiring entity in a Fundamental Transaction to not) make any payment to any holder of Common Stock or any other class of capital stock of the Company that ranks junior to the Preferred Stock unless and until the Company (or such acquiring entity, as applicable) has satisfied all of the Company's obligations hereunder with respect to any Redemption required to be made pursuant to this Certificate of Designations.

(6) Liquidation, Dissolution, Winding-Up. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of the Preferred Shares shall be entitled to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its shareholders, before any amount shall be paid to the holders of any of the capital stock of the Company of any class junior in rank to the Preferred Shares in respect of the preferences as to the distributions and payments on the liquidation, dissolution and winding up of the Company, an amount per Preferred Share equal to the greater of (i) the Liquidation Preference, or (b) such amount per share as would have been payable had all Preferred Shares been converted into Common Stock immediately prior to such liquidation, dissolution or winding up (collectively, the "**Preferred Funds**"); provided that, if the Preferred Funds are insufficient to pay the full amount due to the holders of Preferred Shares and holders of Pari Passu Shares, then each holder of Preferred Shares and Pari Passu Shares shall receive a percentage of the Preferred Funds equal to the full amount of Preferred Funds payable to such holder as a liquidation preference, in accordance with their respective Certificate of Designations, Preferences and Rights, as a percentage of the full amount of Preferred Funds payable to all holders of Preferred Shares and Pari Passu Shares.

(7) Preferred Rank; Participation. All Preferred Shares rank senior to the Common Stock with respect to the preferences provided for herein as to distributions and payments upon the liquidation, dissolution and winding up of the Company. The rights of the shares of Common Stock shall be subject to the preferences and relative rights of the Preferred Shares as provided for herein. So long as any of the Preferred Shares remain outstanding, without the prior express written consent of the Lead Investor, the Company shall not authorize or issue additional or other capital stock that is of rank senior to or *pari passu* with the Preferred Shares in respect of the preferences as to dividends or distributions or payments upon the liquidation, dissolution or winding up of the Company.

(8) Protective Provisions. So long as the Lead Investor and its Affiliates collectively beneficially own at least twenty percent (20%) of the Conversion Shares underlying the Preferred Shares issued pursuant to the Securities Purchase Agreement (assuming the full conversion of such Preferred Shares, irrespective of any ownership limitations contained therein), the Company shall not, either directly or indirectly by amendment, merger, consolidation, recapitalization, reclassification, or otherwise, do any of the following without (in addition to any other vote required by law or the Company's Articles of Incorporation) the written consent of the Lead Investor, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(a) Create, or authorize the creation of, or issue or obligate itself to issue shares of, or reclassify, any capital stock unless the same ranks junior to the Preferred Shares with respect to its rights, preferences and privileges, or increase the authorized number of shares of Preferred Shares or any additional class or series of capital stock of the Company unless the same ranks junior to the Preferred Shares with respect to its rights, preferences and privileges;

(b) Create, or authorize the creation of, or issue, or authorize the issuance of any debt security or create any lien or security interest (except for the Debt Facilities and purchase money liens or statutory liens of landlords, mechanics, materialmen, workmen, warehousemen and other similar persons arising or incurred in the ordinary course of business) or incur other indebtedness for borrowed money, including but not limited to obligations and contingent obligations under guarantees, or permit any Subsidiary to take any such action with respect to any debt security lien, security interest or other indebtedness for borrowed money, if the ratio of (x) the aggregate indebtedness of the Company and its Subsidiaries for borrowed money following such action, inclusive of the Debt Facilities to (y) of the Company's EBITDA for the twelve consecutive calendar months immediately preceding such calculation exceeds 2.50:1.00;

(c) Purchase or redeem (or permit any Subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Company other than redemptions of or dividends or distributions on the Preferred Shares as expressly authorized herein;

(d) Except for the CDM Acquisition (as defined in the Securities Purchase Agreement), directly or indirectly acquire any beneficial ownership (including stock, partnership or limited liability company interests) of or in any a limited liability company, partnership, joint venture, corporation, trust, unincorporated organization or other Person, or any loan, advance or capital contribution to any Person or individual or the acquisition of all, or substantially all, of the assets of another Person or individual, or permit any of its subsidiaries so to do, if the aggregate purchase price payable by the Company and its Subsidiaries for such investments, including the maximum potential amount of any contingent consideration, would exceed $5,000,000;

(e) Enter into, renew, extend or be a party to, any transaction or series of related transactions (including, without limitation, the purchase, sale, lease, transfer or exchange of property or assets of any kind or the rendering of services of any kind) with any officer, director, or employee of the Company, or any Affiliate of such individuals (other than the Company or any of its wholly-owned Subsidiaries), in each case that would be required to be disclosed pursuant to Item 404 of Regulation S-K under the 1933 Act; or

(f) amend, alter or repeal any provision of the Articles of Incorporation or Bylaws of the Corporation in a manner that adversely affects the special rights, powers and preferences of the Preferred Stock.

(9) Vote to Change the Terms of or Issue Preferred Shares; Amendment. In addition to any other rights provided by law, except where the vote or written consent of the holders of a greater number of shares is required by law or by another provision of the Articles of Incorporation, without first obtaining the affirmative vote at a meeting duly called for such purpose or the written consent without a meeting of the holders of a majority of the outstanding Preferred Shares, the Company shall not effect (a) any change to this Certificate of Designations or the Company's Articles of Incorporation that would amend, alter, change, repeal or otherwise affect any of the powers, designations, preferences and rights of the Preferred Shares, or (b) any issuance of Preferred Shares other than pursuant to the Securities Purchase Agreement.

(10) Lost or Stolen Certificates. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any certificates representing the Preferred Shares, and, in the case of loss, theft or destruction, of an indemnification undertaking by the holder to the Company and, in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Company shall execute and deliver new preferred stock certificate(s) of like tenor and date; provided, however, the Company shall not be obligated to re-issue preferred stock certificates if the holder contemporaneously requests the Company to convert the Preferred Shares represented thereby into shares of Common Stock.

(11) Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Certificate of Designations shall be cumulative and in addition to all other remedies available under this Certificate of Designations, at law or in equity (including a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a holder's right to pursue actual damages for any failure by the Company to comply with the terms of this Certificate of Designations. The Company covenants to each holder of Preferred Shares that there shall be no characterization concerning this instrument other than as expressly described herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the holder thereof and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder may cause irreparable harm to the holders of the Preferred Shares by vitiating the intent and purpose of the transactions contemplated by this Certificate of Designations and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach by the Company of the provisions of this Certificate of Designations, the holders of the Preferred Shares shall be entitled, in addition to all other available remedies, to seek an injunctive order and/or injunction restraining any breach and requiring immediate compliance, without the necessity of showing economic loss and without any bond or other security being required.

(12) Payment Set Aside. To the extent that the Company or any of the Subsidiaries makes a payment or payments to the holders of Preferred Shares hereunder or such holders enforce or exercise their rights hereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company or such Subsidiary, by a trustee, receiver or any other Person under any law (including any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

(13) Noncircumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its Articles of Incorporation, Amended and Restated Bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Certificate of Designations, and will at all times in good faith carry out all the provisions of this Certificate of Designations and take all action as may be required to protect the rights of the holders of Preferred Shares hereunder. Without limiting the generality of the foregoing or any other provision of this Certificate of Designations or the other Transaction Documents, the Company (a) shall not increase the par value of any shares of Common Stock receivable upon the conversion of any Preferred Shares above the Conversion Price then in effect, (b) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock upon the conversion of Preferred Shares and (c) shall, so long as any Preferred Shares are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued shares of Common Stock, solely for the purpose of effecting the conversion of the Preferred Shares, the maximum number of shares of Common Stock as shall from time to time be necessary to effect the conversion of the Preferred Shares then outstanding (without regard to any limitations on conversion contained herein).

(14) Specific Shall Not Limit General; Construction. No specific provision contained in this Certificate of Designations shall limit or modify any more general provision contained herein. This Certificate of Designations shall be deemed to be jointly drafted by the Company and all holders of Preferred Shares and shall not be construed against any person as the drafter hereof.

(15) Status of Converted or Redeemed Series A Preferred Stock. Preferred Shares may only be issued pursuant to the Securities Purchase Agreement. If any Preferred Shares shall be converted, redeemed or reacquired by the Company, such shares shall resume the status of authorized but unissued shares of Preferred Stock and shall no longer be designated as Series A Convertible Preferred Stock.

(16) Jurisdiction; Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Certificate of Designations shall be governed by the internal laws of the State of Minnesota, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Minnesota or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Minnesota. Each party hereby irrevocably submits to the exclusive jurisdiction of the Chancery Court of the State of Delaware and any state appellate court therefrom sitting in New Castle County in the State of Delaware (or, if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it in the Securities Purchase Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS CERTIFICATE OF DESIGNATIONS.

(17) Failure or Indulgence Not Waiver. No failure or delay on the part of a holder of Preferred Shares in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

(18) Notice. Any and all notices or other communications or deliveries to be provided to the Company hereunder, including, without limitation, any Conversion Notice, shall be in writing and delivered personally, via email or sent by a nationally recognized overnight courier service, addressed to Creative Realities, Inc., at 13100 Magisterial Drive, Suite 102, Louisville, KY 40223, Attention: Richard Mills, email: rick.mills@cri.com, or such other email address or mailing address as the Company may specify for such purposes by notice to the holders. Any and all notices or other communications or deliveries to be provided to a holder hereunder shall be in writing and delivered personally, by email at the email address of such holder appearing on the books of the Company, or if no such email address appears on the books of the Company, sent by a nationally recognized overnight courier service addressed to such holder, at the principal place of business of such holder.

* * * * * *

IN WITNESS WHEREOF, the Company has caused this Certificate of Designations to be signed by Richard Mills, its Chief Executive Officer, as of [●], 2025.

CREATIVE REALITIES, INC.

By: _____
Name: Richard Mills
Title: Chief Executive Officer

EXHIBIT I

CREATIVE REALITIES, INC.
CONVERSION NOTICE

Reference is made to the Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock (the "**Certificate of Designations**"). In accordance with and pursuant to the Certificate of Designations, the undersigned hereby elects to convert the number of shares of Series A Convertible Preferred Stock, with a stated value of $1,000 per share (the "**Preferred Shares**"), of Creative Realities, Inc., a Minnesota corporation (the "**Company**"), indicated below into shares of Common Stock, par value $0.01 per share (the "**Common Stock**"), of the Company, by tendering the stock certificate(s) representing the Preferred Shares specified below as of the date specified below.

Date of Conversion: _____

Number of Preferred Shares to be converted: _____

Stock certificate no(s). of Preferred Shares to be converted: _____

Please confirm the following information:

Conversion Price: _____

Number of shares of Common Stock to be issued: _____

Please issue the shares of Common Stock in accordance with the terms of the Certificate of Designations as follows:

☐ Deposit/Withdrawal At Custodian (DWAC) system; or
☐ Physical Certificate; or
☐ Direct Registration System (DRS)

Issue to: _____

Address (for delivery of physical certificate or DRS statement, as applicable): _____

Email Address: _____

DTC Participant Number and Name (if through DWAC): _____

Account Number (if through DWAC): _____

ACKNOWLEDGMENT

The Company hereby acknowledges this Conversion Notice and hereby directs Computershare Trust Company, N.A. to issue the above indicated number of shares of Common Stock in accordance with the Irrevocable Transfer Agent Instructions dated [●], 2025 from the Company and acknowledged and agreed to by Computershare Trust Company, N.A.

CREATIVE REALITIES, INC.

By: _____
Name: _____
Title: _____

Exhibit B

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "**Agreement**") is made and entered into as of [●], 2025, by and between Creative Realities, Inc., a Minnesota corporation (the "**Company**"), and each of the several purchasers signatory hereto (each such purchaser, a "**Purchaser**" and, collectively, the "**Purchasers**").

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of October 15, 2025, between the Company and each Purchaser (the "**Purchase Agreement**"), pursuant to which the Company has agreed, upon the terms and subject to the conditions of the Securities Purchase Agreement, to issue and sell to the Purchasers at the Closing (as defined in the Purchase Agreement) an aggregate of 30,000 shares (the "**Preferred Shares**") of a newly created series of preferred stock, with a stated value of $1,000 per share (the "**Preferred Stock**"), designated Series A Convertible Preferred Stock, which shall initially be convertible into [●] shares of the Company's common stock, par value $0.01 per share (the "**Common Stock**"; the shares of Common Stock issuable upon conversion of the Preferred Shares referred to as the "**Conversion Shares**"), in accordance with the terms of the Company's Certificate of Designations, Preferences and Rights of the Series A Convertible Preferred Stock (as the same may be amended, restated, modified or supplemented and in effect from time to time, the "**Certificate of Designations**").

The Company and each Purchaser hereby agree as follows:

1. Definitions.

Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"**Advice**" shall have the meaning set forth in Section 6(c).

"**Effectiveness Date**" means, with respect to the Initial Registration Statement required to be filed hereunder, the 75th calendar day following the date hereof (or, in the event of a "full review" by the Commission, the 90th calendar day following the date hereof) and with respect to any additional Registration Statements which may be required pursuant to Section 2(c) or Section 3(c), the 45th calendar day following the date on which an additional Registration Statement is required to be filed hereunder (or, in the event of a "full review" by the Commission, the 60th calendar day following the date such additional Registration Statement is required to be filed hereunder); provided, however, that in the event the Company is notified by the Commission that one or more of the above Registration Statements will not be reviewed or is no longer subject to further review and comments, the Effectiveness Date as to such Registration Statement shall be the fifth Trading Day following the date on which the Company is so notified if such date precedes the dates otherwise required above, provided, further, if such Effectiveness Date falls on a day that is not a Trading Day, then the Effectiveness Date shall be the next succeeding Trading Day.

"**Effectiveness Period**" shall have the meaning set forth in Section 2(a).

"**Event**" shall have the meaning set forth in Section 2(d).

"**Event Date**" shall have the meaning set forth in Section 2(d).

"**Filing Date**" means: (i) with respect to the Initial Registration Statement required hereunder, the 45th calendar day following the date hereof, (ii) with respect to any additional Registration Statements which may be required pursuant to Section 2(c), the earliest practical date on which the Company is permitted by SEC Guidance to file such additional Registration Statement related to the Registrable Securities, and (iii) with respect to any additional Registration Statements which may be required pursuant to Section 3(c), not later than 30 calendar days after the necessity therefor arises, or (if later) the first date on which the Company is then permitted to file such Registration Statement by the SEC; provided, however, if any Filing Date falls on a day that is not a Trading Day, then such Filing Date shall be the next succeeding Trading Day.

"**Holder**" or "**Holders**" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"**Indemnified Party**" shall have the meaning set forth in Section 5(c).

"**Indemnifying Party**" shall have the meaning set forth in Section 5(c).

"**Initial Registration Statement**" means the initial Registration Statement filed pursuant to this Agreement.

"**Losses**" shall have the meaning set forth in Section 5(a).

"**Plan of Distribution**" shall have the meaning set forth in Section 2(a).

"**Prospectus**" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated by the Commission pursuant to the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"**Registrable Securities**" means, as of any date of determination, (a) all Conversion Shares then issued and issuable upon conversion of the Preferred Shares (assuming on such date the Preferred Shares are converted in full without regard to any exercise limitations therein), and (b) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such Registrable Securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as (i) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the Commission under the Securities Act and such Registrable Securities have been disposed of by the Holders in accordance with such effective Registration Statement, (ii) such Registrable Securities have been previously sold in accordance with Rule 144, or (iii) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and reasonably acceptable to the affected Holders (assuming that such securities and any securities issuable upon exercise, conversion or exchange of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company, as reasonably determined by the Company, upon the advice of counsel to the Company).

"**Registration Statement**" means any registration statement required to be filed hereunder pursuant to Section 2(a) and any additional registration statements contemplated by Section 2(c) or Section 3(c), including (in each case) the Prospectus, amendments and supplements to any such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

"**Rule 415**" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"**Rule 424**" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"**Selling Shareholder Questionnaire**" shall have the meaning set forth in Section 3(a).

"**SEC Guidance**" means (i) any publicly-available written or oral guidance of the Commission staff, or any comments, requirements or requests of the Commission staff and (ii) the Securities Act.

2. Shelf Registration.

(a) On or prior to each Filing Date, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities that are not then registered on an effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415. Each Registration Statement filed hereunder shall be on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form in accordance herewith, subject to the provisions of Section 2(e)) and shall contain (unless otherwise directed by at least 85% in interest of the Holders) substantially the "Plan of Distribution" attached hereto as Annex A and substantially the "Selling Shareholder" section attached hereto as Annex B; provided, however, that no Holder shall be required to be named as an "underwriter" without such Holder's express prior written consent. Subject to the terms of this Agreement, the Company shall use its reasonable best efforts to cause a Registration Statement filed under this Agreement (including, without limitation, under Section 3(c)) to be declared effective under the Securities Act as promptly as possible after the filing thereof, but in any event no later than the applicable Effectiveness Date, and shall use its reasonable best efforts to keep such Registration Statement continuously effective under the Securities Act until the date that all Registrable Securities covered by such Registration Statement (i) have been sold, thereunder or pursuant to Rule 144, or (ii) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and reasonably acceptable to the affected Holders (the "**Effectiveness Period**"). The Company shall telephonically request effectiveness of a Registration Statement as of 5:00 p.m. (Boston time) on a Trading Day. The Company shall promptly notify the Holders by e-mail of the effectiveness of a Registration Statement on the same Trading Day that the Company telephonically confirms effectiveness with the Commission, which shall be the date of effectiveness of such Registration Statement. The Company shall, by 9:30 a.m. (Boston time) on the Trading Day after the effective date of such Registration Statement, file a final Prospectus with the Commission as required by Rule 424. Failure to so notify the Holder within one (1) Trading Day of such notification of effectiveness or failure to file a final Prospectus as foresaid shall be deemed an Event under Section 2(d).

(b) Notwithstanding the registration obligations set forth in Section 2(a), if the Commission informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the Initial Registration Statement as required by the Commission, covering the maximum number of Registrable Securities permitted to be registered by the Commission, on Form S-3 or such other form available to register for resale the Registrable Securities as a secondary offering, subject to the provisions of Section 2(e); with respect to filing on Form S-3 or other appropriate form; provided, however, that prior to filing such amendment, the Company shall be obligated to use diligent efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Compliance and Disclosure Interpretation 612.09.

(c) Notwithstanding any other provision of this Agreement, if the Commission or any SEC Guidance sets forth a limitation on the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the Commission for the registration of all or a greater portion of Registrable Securities), unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on such Registration Statement will be reduced as follows:

a. First, the Company shall reduce or eliminate any securities to be included other than Registrable Securities;

b. Second, the Company shall reduce Registrable Securities represented by Conversion Shares (applied, in the case that some Conversion Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered Conversion Shares held by such Holders).

In the event of a cutback hereunder, the Company shall give the Holder at least five (5) Trading Days prior written notice along with the calculations as to such Holder's allotment. In the event the Company amends the Initial Registration Statement in accordance with the foregoing, the Company will use its reasonable best efforts to file with the Commission, as promptly as allowed by the Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form S-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended.

(d) If: (i) the Initial Registration Statement is not filed on or prior to its Filing Date (if the Company files the Initial Registration Statement without affording the Holders the opportunity to review and comment on the same as required by Section 3(a) herein, the Company shall be deemed to have not satisfied this clause (i)), or (ii) the Company fails to file with the Commission a request for acceleration of a Registration Statement in accordance with Rule 461 promulgated by the Commission pursuant to the Securities Act, within five (5) Trading Days of the date that the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review, or (iii) prior to the effective date of a Registration Statement, the Company fails to file a pre-effective amendment and otherwise respond in writing to comments made by the Commission in respect of such Registration Statement within ten (10) calendar days after the receipt of comments by or notice from the Commission that such amendment is required in order for such Registration Statement to be declared effective; provided, however, that to the extent that the filing of an amendment to the Registration Statement under clause (iii) would require updated audited financial statements to be filed by amendment to the Registration Statement pursuant to the Securities Act in advance of the applicable filing deadline for such audited financial statements under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the applicable Event Date with respect thereto shall be five (5) Trading Days after the applicable Exchange Act deadline, or (iv) a Registration Statement registering for resale all of the Registrable Securities, subject to the cutback limitations set forth in Section 2(c) of this Agreement, is not declared effective by the Commission by the Effectiveness Date of the Initial Registration Statement, or (v) after the effective date of a Registration Statement, such Registration Statement ceases for any reason to remain continuously effective as to all Registrable Securities included in such Registration Statement, or the Holders are otherwise not permitted to utilize the Prospectus therein to resell such Registrable Securities, for more than ten (10) consecutive calendar days or more than an aggregate of fifteen (15) calendar days (which need not be consecutive calendar days) during any 12-month period (any such failure or breach being referred to as an "**Event**", and for purposes of clauses (i) and (iv), the date on which such Event occurs, and for purpose of clause (ii) the date on which such five (5) Trading Day period is exceeded, and for purpose of clause (iii) the date which such ten (10) calendar day period is exceeded, and for purpose of clause (v) the date on which such ten (10) or fifteen (15) calendar day period, as applicable, is exceeded being referred to as "**Event Date**"), then, in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash, as partial liquidated damages and not as a penalty, equal to the product of 1.0% multiplied by the aggregate Subscription Amount paid by such Holder pursuant to the Purchase Agreement; provided, however, that the Company shall not be required to make any payments pursuant to this Section 2(d) with respect to (A) any Registrable Securities the Company is unable to register due to limits imposed by the Commission's interpretation of Rule 415 under the Securities Act as contemplated by Section 2(b), or (B) a Registration Statement not being declared effective by the Commission by a specified date due to the Commission policy not to grant requests for acceleration of the effective date of a pending registration statement during a shutdown of the United States government. The parties agree that the maximum aggregate liquidated damages payable to a Holder under this Agreement shall be 6.0% of the aggregate Subscription Amount paid by such Holder pursuant to the Purchase Agreement. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven days after the date payable, the Company will pay interest thereon at a rate of 12% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro rata basis for any portion of a month prior to the cure of an Event.

(e) If Form S-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall (i) register the resale of the Registrable Securities on another appropriate form and (ii) undertake to register the Registrable Securities on Form S-3 as soon as such form is available, provided that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form S-3 covering the Registrable Securities has been declared effective by the Commission.

(f) Notwithstanding anything to the contrary contained herein, in no event shall the Company be permitted to name any Holder or affiliate of a Holder as any underwriter without the prior written consent of such Holder.

3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not less than three (3) Trading Days prior to the filing of each Registration Statement and not less than one (1) Trading Day prior to the filing of any related Prospectus (other than the final Prospectus for the Initial Registration Statement that is in substantially the same form as the preliminary prospectus included in the most recently filed Initial Registration Statement prior to effectiveness thereof) or any amendment or supplement thereto (including any document that would be incorporated or deemed to be incorporated therein by reference, but, for purposes of clarity, excluding automatic future incorporation by reference of reports and other information filed by the Company pursuant to Section 12 of the Exchange Act that may be deemed to amend or supplement such Registration Statement or Prospectus), the Company shall (i) furnish to each Holder copies of all such documents proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the review of such Holders, and (ii) cause its officers and directors, counsel and independent registered public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of respective counsel to each Holder, to conduct a reasonable investigation within the meaning of the Securities Act. The Company shall not file a Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Holders of a majority of the Registrable Securities shall reasonably object in good faith, provided that, the Company is notified of such objection in writing no later than five (5) Trading Days after the Holders have been so furnished copies of a Registration Statement or one (1) Trading Day after the Holders have been so furnished copies of any related Prospectus or amendments or supplements thereto. Each Holder agrees to furnish to the Company a completed questionnaire in the form attached to this Agreement as Annex C (a "**Selling Shareholder Questionnaire**") on a date that is the earlier of two (2) Trading Days prior to the Filing Date or by the end of the fourth (4th) Trading Day following the date on which such Holder receives draft materials in accordance with this Section. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of a particular Holder that such Holder shall furnish to the Company a completed Selling Shareholder Questionnaire and such information regarding itself and the Registrable Securities held by it as shall be reasonably required to effect and maintain the effectiveness of the registration of such Registrable Securities.

(b) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to a Registration Statement and the Prospectus used in connection therewith as may be necessary to keep a Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities, (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424, (iii) respond as promptly as reasonably possible to any comments received from the Commission with respect to a Registration Statement or any amendment thereto and provide as promptly as reasonably possible to the Holders true and complete copies of all correspondence from and to the Commission relating to a Registration Statement (provided that, the Company shall excise any information contained therein which would constitute material non-public information regarding the Company or any of its Subsidiaries), and (iv) comply in all material respects with the applicable provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period in accordance (subject to the terms of this Agreement) with the intended methods of disposition by the Holders thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented.

(c) If during the Effectiveness Period, the number of Registrable Securities at any time exceeds 100% of the number of shares of Common Stock then registered in a Registration Statement, then the Company shall file as soon as reasonably practicable, but in any case by the applicable Filing Date, an additional Registration Statement covering the resale by the Holders of not less than the number of such Registrable Securities.

(d) Notify the Holders of Registrable Securities to be sold (which notice shall, pursuant to clauses (iii) through (vi) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) as promptly as reasonably possible (and, in the case of (i)(A) below, not less than one (1) Trading Day prior to such filing) and (if requested by any such Person) confirm such notice in writing no later than one (1) Trading Day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed, (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement, and (C) with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information, (iii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose, (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a Registration Statement, Prospectus or other documents so that, in the case of a Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (vi) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus; provided, however, that in no event shall any such notice contain any information which would constitute material, non-public information regarding the Company or any of its Subsidiaries. For the avoidance of doubt, the Company's providing to any Board Designee (due to such Board Designee's service on the Company Board) information that may constitute material, non-public information relating to the Company shall not be deemed to be a breach of this Section 3(d).

(e) Use its reasonable best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(f) Furnish to each Holder, without charge, at least one conformed copy of each such Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference to the extent requested by such Person, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that any such item which is available on the EDGAR system (or successor thereto) need not be furnished in physical form.

(g) Subject to the terms of this Agreement, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section 3(d).

(h) Prior to any resale of Registrable Securities by a Holder, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement, provided that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(i) If requested by a Holder, cooperate with such Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to a Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request.

(j) Upon the occurrence of any event contemplated by Section 3(d), as promptly as reasonably possible under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its shareholders of the premature disclosure of such event, prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither a Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with clauses (iii) through (vi) of Section 3(d) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall suspend use of such Prospectus. The Company will use its reasonable best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company shall be entitled to exercise its right under this Section 3(j) to suspend the availability of a Registration Statement and Prospectus, subject to the payment of partial liquidated damages otherwise required pursuant to Section 2(d), for a period not to exceed 60 calendar days (which need not be consecutive days) in any 12-month period.

(k) Otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission under the Securities Act and the Exchange Act, including, without limitation, Rule 172 under the Securities Act, file any final Prospectus, including any supplement or amendment thereof, with the Commission pursuant to Rule 424 under the Securities Act, promptly inform the Holders in writing if, at any time during the Effectiveness Period, the Company does not satisfy the conditions specified in Rule 172 and, as a result thereof, the Holders are required to deliver a Prospectus in connection with any disposition of Registrable Securities and take such other actions as may be reasonably necessary to facilitate the registration of the Registrable Securities hereunder.

(l) The Company shall use its reasonable best efforts to maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of Registrable Securities.

(m) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and, if required by the Commission, the natural persons thereof that have voting and dispositive control over the shares. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of the Registrable Securities solely because any Holder fails to furnish such information within three Trading Days of the Company's request, any liquidated damages that are accruing at such time as to such Holder only shall be tolled and any Event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

(n) In connection with an underwritten offering, the Company shall enter into such customary agreements (including underwriting and lock-up agreements in customary form) and take all such other customary actions as the holders of such Registrable Securities or the managing underwriter of such offering reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including, without limitation, making appropriate officers of the Company available to participate in "road show" and other customary marketing activities (including one-on-one meetings with prospective purchasers of the Registrable Securities).

4. Registration Expenses. All fees and expenses incident to the performance of or compliance with, this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel and independent registered public accountants) (A) with respect to filings made with the Commission, (B) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, and (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions of any Holder or, except to the extent provided for in the Transaction Documents, any legal fees or other costs of the Holders.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, stockholders, partners, agents and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "**Losses**"), as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose), (ii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in Section 6(c) or (iii) amounts are paid in settlement of any claim for Losses if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed.. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified person and shall survive the transfer of any Registrable Securities by any of the Holders in accordance with Section 6(g).

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based solely upon: any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder to the Company expressly for inclusion in such Registration Statement or such Prospectus or (ii) to the extent, but only to the extent, that such information relates to such Holder's information provided in the Selling Shareholder Questionnaire or the proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement (it being understood that the Holder has approved Annex A hereto for this purpose), such Prospectus or in any amendment or supplement thereto. In no event shall the liability of a selling Holder be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such Holder in connection with any claim relating to this Section 5 and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue statement or omission) received by such Holder upon the sale of the Registrable Securities included in the Registration Statement giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "**Indemnified Party**"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "**Indemnifying Party**") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof, provided that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have materially and adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses, (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding, or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and counsel to the Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten Trading Days of written notice thereof to the Indemnifying Party, provided that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) not to be entitled to indemnification hereunder.

(d) Contribution. If the indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. In no event shall the contribution obligation of a Holder of Registrable Securities be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such Holder in connection with any claim relating to this Section 5 and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission) received by it upon the sale of the Registrable Securities giving rise to such contribution obligation.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. Each of the Company and each Holder agrees that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(b) No Piggyback on Registrations; Prohibition on Filing Other Registration Statements. Neither the Company nor any of its security holders (other than the Holders in such capacity pursuant hereto) may include securities of the Company in any Registration Statements other than the Registrable Securities. The Company shall not file any other registration statements, other than with respect to an Exempt Issuance, until all Registrable Securities are registered pursuant to a Registration Statement that is declared effective by the Commission, provided that this Section 6(b) shall not (i) apply in the event of a failure to register Registrable Securities pursuant to Section 2(b) or 2(c) or (ii) prohibit the Company from filing amendments to registration statements filed prior to the date of this Agreement so long as no new securities are registered on any such existing registration statements.

(c) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(d)(iii) through (vi), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "**Advice**") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company will use its reasonable best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company agrees and acknowledges that any periods during which the Holder is required to discontinue the disposition of the Registrable Securities hereunder shall be subject to the provisions of Section 2(d).

(d) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of 50.1% or more of the then outstanding Registrable Securities (for purposes of clarification, this includes any Registrable Securities issuable upon exercise or conversion of any Security), provided that, if any amendment, modification or waiver disproportionately and adversely impacts a Holder (or group of Holders), the consent of such disproportionately impacted Holder (or group of Holders) shall be required. If a Registration Statement does not register all of the Registrable Securities pursuant to a waiver or amendment done in compliance with the previous sentence, then the number of Registrable Securities to be registered for each Holder shall be reduced pro rata among all Holders and each Holder shall have the right to designate which of its Registrable Securities shall be omitted from such Registration Statement. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder or some Holders and that does not directly or indirectly affect the rights of other Holders may be given only by such Holder or Holders of all of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the first sentence of this Section 6(d). No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement who continue to hold Registrable Securities.

(e) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign (except by merger) its rights or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under Section 9.g of the Purchase Agreement.

(g) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Neither the Company nor any of its Subsidiaries has previously entered into any agreement granting any registration rights with respect to any of its securities to any Person that have not been satisfied in full.

(h) Execution and Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such ".pdf" signature page were an original thereof.

(i) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(j) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(k) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(l) Headings. The headings in this Agreement are for convenience only, do not constitute a part of the Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(m) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Holders are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by this Agreement or any other matters, and the Company acknowledges that the Holders are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or transactions. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained was solely in the control of the Company, not the action or decision of any Holder, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Holder. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Holder, solely, and not between the Company and the Holders collectively and not between and among Holders.

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(Signature Pages Follow)

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

CREATIVE REALITIES, INC.

By: _____
Name: Richard Mills
Title: Chief Executive Officer

[SIGNATURE PAGE OF HOLDERS FOLLOWS]

[SIGNATURE PAGE OF HOLDERS TO CREX RRA]

Name of Holder: _____

Signature of Authorized Signatory of Holder: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

[SIGNATURE PAGES CONTINUE]

FOR IMMEDIATE RELEASE

Creative Realities Announces Transformational Acquisition

Purchase of Cineplex Digital Media Doubles Size of the Company, Expands North American Footprint, and Brings Significant Synergies; Investor Update Call Scheduled for 11:00AM EST Today

LOUISVILLE, KY – October 16, 2025 – Creative Realities, Inc. ("Creative Realities," "CRI," or the "Company") (NASDAQ: CREX), a leading provider of digital signage, media and AdTech solutions, today announced that it has entered into a share purchase agreement to acquire Cineplex Digital Media ("CDM"), an indirect wholly-owned subsidiary of Canadian-based Cineplex Inc. (TSX:CGX), for CAD 70 million in cash, subject to customary post-closing adjustments. CDM offers data-driven, experienced-based digital marketing solutions across five industry verticals in North America: Quick Service Restaurants ("QSR"); Financial Services; Retail; Malls and Real Estate; and Lotto. The firm posted sales of just under CAD $56 million in 2024 and is on track to deliver 25% growth in 2025, operating in over 6,000 locations and 30,000 end points – with such well-known brands Scotiabank, RBC, AMC Theatres, Tim Horton's and most recently was announced as the exclusive partner for the planned North Carolina Education Lottery retail deployment. Over 60% of revenue is recurring in nature and approximately 84% of the organization's 2024 sales were in Canada, with the rest in the U.S. The acquisition, expected to close in October, is anticipated to provide cost synergies of at least $10 million, across North America, on an annualized basis by the end of 2026 – reflecting operating efficiencies, margin enhancement opportunities, and application of the Company's CMS and AdTech platforms.

Included in the transaction is Canada's largest mall network. This is a Digital Out-of-Home (DOOH) media network of over 750 screens with exclusive media representation and revenue share with real estate partners across 95 shopping destinations, including the following:

- 76 of the 100 most productive Canadian shopping centers*
- 9 of the 10 busiest malls in Canada**, servicing about 750 million shopper visits annually
- Canada's first and only COOMB*** certified mall network

"We are thrilled to begin a new era at CRI with the acquisition of CDM," said Rick Mills, Chief Executive Officer. "Through this transaction, we will double the size of the Company, significantly increase our operations outside the U.S., expand margins, and open new avenues for accelerating growth going forward. CDM is an established provider of digital solutions across North America, and the acquisition will be accretive to earnings almost immediately. Working with North Run Capital and First Merchants Bank, we are financing the acquisition through a combination of debt and equity, including a three-year, $36 million senior term loan. The expected synergies going forward make this very attractive for the future of our Company. Looking towards 2026, on a pro-forma adjusted basis, accounting for the synergies, revenue should exceed USD $100 million with Adjusted EBITDA margins in the high teens. Once all synergies are realized, Adjusted EBITDA margins should exceed 20% with significant free cash flow generation.

"CDM brings a strong, broad product portfolio of systems and solutions that improve the customer purchase experience at thousands of locations in Canada and the U.S. – driven by digital hardware installations, the management of retail media networks, professional support services, and content creation. It serves thousands of quick service restaurants, financial institutions, and retail establishments across North America and will immediately place us in a strong position to take advantage of the explosive growth in retail media networks. In addition, while CDM currently licenses technology from third-party providers, the combination with CRI – given our ReflectView™, Clarity™, AdLogic™ AdServer, and AdLogic CPM+™ CMS and AdTech platforms – will provide the synergies to accelerate growth across our businesses. Overall, we believe CDM will rapidly elevate our data science and content capabilities while adding the scale we need to thrive in an increasingly competitive, rapidly expanding marketplace. Given CDM's large customer base and operating footprint, we expect that our unified organization will see higher top line performance and improved bottom line results in the quarters to come. It's truly a win-win for all involved – including our clients – and we could not be more excited to welcome CDM into the CRI family."

CDM will become a wholly owned subsidiary of Creative Realities, and CDM's current key operating leaders are expected to remain as employees.

CRI will finance the acquisition through a combination of debt and preferred equity, including a three-year, $36 million senior term loan with First Merchants Bank and $30 million of convertible preferred equity with a $3.00 conversion price provided by North Run Capital LP. Craig-Hallum served as Exclusive Placement Agent for the North Run financing.

Additional terms and conditions are disclosed in the Company's related filings with the SEC. CRI expects to complete the CDM acquisition and related financings in October 2025.

Preliminary results for CRI's third quarter indicate revenue coming in lower than expected at approximately $10.5 million and Adjusted EBITDA between $500K and $1MM. This is due in part, to a large order that slipped into Q4. In addition, the Company is taking a non-cash impairment charge for a software asset due to the wind down of CRI's engagement with Stellantis in the U.S. Third quarter results are anticipated to be released on November 12, 2025. In light of the significance of the highly accretive CDM acquisition, CRI intends to provide an updated view for Q4 during the Q3 earnings call, given that CRI's revenue and adjusted EBITDA will be substantially above current consensus estimates.

An investor update call is scheduled for Thursday October 16th at 11:00 EST. Registration is available at the link below:

https://bit.ly/CREXinvestorupdate

About Creative Realities, Inc.
Creative Realities designs, develops and deploys digital signage-based experiences for enterprise-level networks utilizing its Clarity™, ReflectView™, and iShowroom™ Content Management System (CMS) platforms. The Company is actively providing recurring SaaS and support services across diverse vertical markets, including but not limited to retail, automotive, digital-out-of-home (DOOH) advertising networks, convenience stores, foodservice/QSR, gaming, theater, and stadium venues. In addition, the Company assists clients in utilizing place-based digital media to achieve business objectives such as increased revenue, enhanced customer experiences, and improved productivity. This includes the design, deployment, and day to day management of Retail Media Networks to monetize on-premise foot traffic utilizing its AdLogic™ and AdLogic CPM+™ programmatic advertising platforms.

*Malls with the highest productivity (sales per square foot) in Canada (source: ICSC '24)
**Source: RCC '19
***Canadian Out-of-Home Marketing and Measurement Bureau

Cautionary Note on Forward-Looking Statements
This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, and includes, among other things, discussions of our business strategies, product releases, future operations and capital resources. Words such as "estimates," "projects," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. Forward-looking statements are not guarantees of future performance, conditions or results. They are based on the opinions, estimates and beliefs of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties, assumptions and other factors, many of which are outside of our control, that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Some of these risks are discussed in the "Risk Factors" section contained in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, and the Company's subsequent filings with the U.S. Securities and Exchange Commission. Important factors, among others, that may affect actual results or outcomes include: our ability to satisfy applicable conditions precent to the closing of the CDM acquisition and related financings, our ability to integrate CDM's business into our own and realize anticipated synergies, our strategy for customer retention, growth, product development, market position, financial results and reserves, our ability to execute on our business plan, our ability to retain key personnel, our ability to remain listed on the Nasdaq Capital Market, our ability to realize the revenues included in our future guidance and backlog reports, our ability to satisfy our upcoming debt obligations and other liabilities, the ability of the Company to continue as a going concern, potential litigation, supply chain shortages, and general economic and market conditions impacting demand for our products and services. Readers should not place undue reliance upon any forward-looking statements. We assume no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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