

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

LUGANO DIAMONDS & JEWELRY INC.,
et al.,¹

Debtors.

Chapter 11

Case No. 25-12055 (BLS)

(Jointly Administered)

Ref. Docket Nos. 12, 66

**FINAL ORDER (I) AUTHORIZING THE DEBTORS
TO USE CASH COLLATERAL; (II) GRANTING ADEQUATE
PROTECTION TO THE PREPETITION LENDER; (III) MODIFYING
THE AUTOMATIC STAY; AND (IV) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (each, a “Debtor” and collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Bankruptcy Cases”) for entry of an order (this “Final Order”) pursuant to sections 105, 361, 362, 363, 503, 506, 507, and 552 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rules 2002-1, 4001-1, 4001-2, and 9013-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Bankruptcy Rules”), seeking (as amended to remove the Debtors’ request of the DIP Facility), among other things:

- (i) authorization for the Debtors, subject to and pursuant to the terms and conditions set forth in this Final Order, to continue to (a) use Cash Collateral (as defined below) of Compass Group Diversified Holdings LLC (solely in its capacities as lender under the Prepetition Credit Agreement and party to the Prepetition Loan Documents, the “Prepetition Lender”) and (b) provide adequate protection to the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s U.S. federal tax identification number, to the extent applicable, are as follows: Lugano Diamonds & Jewelry Inc. (6784), Lugano Holding, Inc. (9690), Lugano Buyer, Inc. (4565), K.L.D. Jewelry, LLC (0319), and Lugano Prive, LLC (4308). The notice address for the Debtors is 620 Newport Center Dr., Ste 100, Newport Beach, California 92660.

² Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

Prepetition Lender on account of any Diminution in Value (as defined below) of the Prepetition Collateral (as defined below), including Cash Collateral, as a consequence of the Debtors' use, sale, or lease of the Prepetition Collateral, including any Cash Collateral, the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code, and any other basis consistent with section 361 of the Bankruptcy Code;

- (ii) authorization for the Debtors to incur and pay, on the terms set forth herein, the fees and disbursements of the Prepetition Lender's attorneys, advisors, and other consultants, all and solely to the extent provided in, and in accordance with this Final Order and without further order of the Court;
- (iii) the waiver of, subject to the terms of this Final Order, (a) the Debtors' and their estates' right to surcharge against the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code, (b) the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the Prepetition Collateral, and (c) the "equities of the case" exception under section 552(b) of the Bankruptcy Code, each effective as of the Petition Date;
- (iv) subject to the limitations contained in paragraph 14 of this Final Order, authorization for the Prepetition Lender to exercise remedies on the terms described herein and therein upon the occurrence, and during the continuation of, an Event of Default (as defined below);
- (v) modification of the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms of this Final Order; and
- (vi) waiver of any applicable stay (including under section 362 of the Bankruptcy Code and Bankruptcy Rule 6004) and providing for immediate effectiveness of this Final Order.

This Court having considered the Motion, the exhibits attached thereto, the *Declaration of J. Michael Issa in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), and the evidence submitted, the objections or other responses filed by parties in interest and arguments of counsel made at, the interim and final hearing (the "Final Hearing"); and notice of the Motion and the Final Hearing having been given in accordance with Bankruptcy Rules 2002, 4001(b), (c), and (d), and 9014 and all applicable Local Bankruptcy Rules, and it appearing that no other or further notice is necessary; and the Final Hearing having been held and concluded; and all objections and reservations of rights, if any, to the relief requested in the Motion

having been withdrawn, resolved, or overruled on the merits by this Court; and it appearing that approval of the relief requested in the Motion, as modified hereby, is consistent with the proper exercise of the Debtors' business judgment, is fair and reasonable, and is in the best interests of the Debtors, their estates, and all parties in interest, and is essential for the continued operation of the Debtors' businesses and the preservation of the value of the Debtors' assets; and after due deliberation and consideration, and good and sufficient cause appearing therefor:

BASED UPON THE RECORD ESTABLISHED AT THE FINAL HEARING, THIS COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:³

A. Petition Date. On November 16, 2025 (the "Petition Date"), each of the Debtors filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (this "Court").

B. Debtors in Possession. The Debtors are operating their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Bankruptcy Cases.

C. Jurisdiction and Venue. This Court has jurisdiction over these Bankruptcy Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. This Court's consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). This Court may enter a final order consistent with Article III of the United States Constitution. Venue for the Bankruptcy Cases and the proceeding on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

³ The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such.

D. Committee. On November 26, 2025, the United States Trustee for the District of Delaware (the “U.S. Trustee”) filed an amended appointment of an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code [Doc. 93] (the “Committee”).

E. Notice. Upon the record presented to this Court at the Final Hearing, notice of the Motion and the relief requested thereby and granted in this Final Order has been provided in accordance with Bankruptcy Rules 2002, 4001, and 9014 and Local Bankruptcy Rule 4001-2, which notice was appropriate under the circumstances and sufficient for the Motion. No other or further notice of the Motion or entry of this Final Order is necessary or required.

F. Prepetition Secured Debt. Subject to the limitations thereon contained in paragraphs 20 and 21 of this Final Order, the Debtors represent, admit, stipulate, acknowledge and agree as follows:

i. Prepetition Loan Documents.

a. Prior to the Petition Date, the Prepetition Lender, Lugano Diamonds & Jewelry Inc., a California corporation (“Borrower”) and Lugano Buyer, Inc., a Delaware corporation (“Co-Borrower”) were parties to that certain Credit Agreement, dated as of September 3, 2021, as amended by certain amendments, the most recent of which is the Twenty-Third Amendment to Credit Agreement dated as of October 2, 2025 (and as may be further amended, supplemented, restated or otherwise modified from time to time and including all exhibits, attachments and appendices thereto, the “Prepetition Credit Agreement,” and the related facility, the “Prepetition Facility”).

b. Prior to the Petition Date, the Prepetition Lender, Borrower, Co-Borrower, and Lugano Holding, Inc., a Delaware corporation (“Parent”) were

parties to that certain Guarantee and Collateral Agreement, dated as of September 3, 2021 (the “Guarantee Agreement”), pursuant to which, among other things, (a) Parent guaranteed the obligations of Borrower and Co-Borrower under the Prepetition Credit Agreement; and (b) Borrower, Co-Borrower, and Parent granted the Prepetition Lender a security interest in substantially all of the property of Borrower, Co-Borrower, and Parent. Lugano Prive, LLC (“Prive”) and K.L.D. Jewelry, LLC (“KLD,” collectively with Borrower, Co-Borrower, Parent, and Prive, the “Prepetition Obligors”) were added by joinder to the Guarantee Agreement (together, the “Joinders”) to jointly and severally guarantee to the Prepetition Lender the prompt and complete payment and performance by Borrower and Co-Borrower when due of Borrower’s and Co-Borrower’s liabilities, indebtedness, and obligations (whether monetary or otherwise) owed to the Prepetition Lender.

c. Prior to the Petition Date, the Prepetition Obligors and Prepetition Lender executed that certain Forbearance Agreement dated as of August 29, 2025, as amended by certain amendments, the most recent of which is the Second Amendment to Forbearance Agreement dated as of October 10, 2025 (collectively with the Prepetition Credit Agreement, Guarantee Agreement, Joinders, and any related documents, agreements, or instruments, the “Prepetition Loan Documents”), whereby the Prepetition Lender agreed to temporarily forbear from exercising remedies against the Prepetition Obligors on account of their various defaults under the Prepetition Credit Agreement and the Prepetition Obligors executed a confession of judgment confessing that the Prepetition Obligors owed

the Prepetition Lender \$701,317,337.03 pursuant to the Prepetition Credit Agreement and related promissory note and loan documents.

d. As of the Petition Date, the Prepetition Obligors were jointly and severally indebted and liable, without defense, counterclaim, or offset of any kind to the Prepetition Lender with respect to the Prepetition Loan Documents in the aggregate principal amount of not less than \$718,222,591.91, plus accrued and unpaid interest thereon and all other fees (including attorneys' fees), costs, expenses, indemnification obligations, reimbursement obligations, charges, premiums, additional interest, and any other obligations thereunder (the "Prepetition Obligations"). The Prepetition Obligations constitute legal, valid, binding, and non-avoidable obligations against each of the Prepetition Obligors and are not subject to any avoidance, recharacterization, effect, counterclaim, defense, offset, recoupment, subordination, other claim, cause of action, or other challenge of any kind under the Bankruptcy Code, under applicable non-bankruptcy law, or otherwise. No payments or transfers made to or for the benefit of (or obligations incurred to or for the benefit of) the Prepetition Lender by or on behalf of any of the Debtors prior to the Petition Date under or in connection with the Prepetition Loan Documents are subject to avoidance, recharacterization, effect, counterclaim, defense, offset, subordination, other claim, cause of action, or other challenge of any kind or nature under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise.

e. The Prepetition Obligations are secured by valid, binding, perfected, and enforceable liens on and security interests in (the "Prepetition Liens") the

enumerated property and assets of the Prepetition Obligors under the Prepetition Loan Documents (all such property and assets in their capacity as security for the Prepetition Obligations, the “Prepetition Collateral”). As of the Petition Date: (A) the Prepetition Liens were valid, binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Prepetition Lender for fair consideration and reasonably equivalent value; (B) the Prepetition Liens were senior in priority over any and all other liens on the Prepetition Collateral other than any lien over the assets of the Debtors senior by operation of law or otherwise expressly permitted to be senior by the Prepetition Loan Documents; (C) no offsets, recoupments, challenges, objections, defenses, claims, or counterclaims of any kind or nature to any of the Prepetition Liens or Prepetition Obligations exist, and no portion of the Prepetition Liens or Prepetition Obligations is subject to any challenge or defense, including avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (D) the Debtors and their estates have no claims, objections, challenges, causes of action, or choses in action (including claims and causes of action under sections 502(d), 544, 545, 547, 548, and 550 of the Bankruptcy Code, or any other avoidance actions under the Bankruptcy Code), whether pursuant to federal law or applicable state law or applicable state law equivalents, or actions for recovery or disgorgement, against the Prepetition Lender or any of their respective affiliates, agents, attorneys, advisors, professionals, officers, directors, and employees arising out of, based upon, or with respect to the Prepetition Loan Documents and the Prepetition

Obligations; and (E) the Debtors waive, discharge, and release any right to challenge or seek to recharacterize or subordinate any of the Prepetition Obligations, the priority of the applicable Debtors' obligations thereunder, and the validity, perfection, extent, and priority of the Prepetition Liens securing the Prepetition Obligations.

ii. Cash Collateral. (i) The Debtors' cash, including cash and other amounts on deposit or maintained in any account or accounts by the Debtors, existing as of the Petition Date, and any amounts generated by the collection of accounts receivable or other disposition of the Prepetition Collateral, existing as of the Petition Date, and the proceeds of any of the foregoing, wherever located, is the Prepetition Lender's cash collateral within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral").

iii. No Control. As of the Petition Date, the Prepetition Lender did not and does not control the Debtors or their properties or operations or have authority to determine the manner in which any Debtor's operations are conducted; *provided, however*, that Compass Group Diversified Holdings LLC does not dispute that it owns a direct or indirect controlling interest in each of the Debtors.

G. Modification to Relief Sought in the Motion. The Debtors, in consultation with the Committee and the Prepetition Lender, determined that, at this time, the Debtors do not need additional post-petition financing from the DIP Facility and, with the consent of the Prepetition Lender on the terms set forth in this Final Order, only seek authorization to use Cash Collateral in accordance with the terms of this Final Order. The Debtors reserve all rights to renew their request for financing pursuant to the DIP Facility at a subsequent time and the Committee and all other parties reserve all rights to object to any such request.

H. Findings Regarding the Use of Cash Collateral.

i. Good and sufficient cause has been shown for the entry of this Final Order and for authorizing the Debtors to use the Cash Collateral and to authorize the provision of adequate protection as a proper exercise of the Debtors' business judgment and to avoid immediate and irreparable loss or damage to the Debtors and the estates.

ii. As set forth in the Motion and the First Day Declaration, the Debtors have an ongoing and immediate need to continue to use Cash Collateral: (A) for working capital and general corporate purposes, and (B) to fund (1) the administration of the Bankruptcy Cases, (2) the sales of the Debtors' assets and the chapter 11 plan process, (3) the Carve-Out, and (4) the payments due to Agent (as defined below) under the Agency Agreement (as defined below), all in strict accordance with the Approved Budget or as otherwise approved by the Prepetition Lender in writing in its sole discretion. The Debtors will not have sufficient sources of working capital to operate their businesses in the ordinary course of business during these Bankruptcy Cases without the use of Cash Collateral. Absent granting the relief set forth in this Final Order, the Debtors' estates and their businesses will be irreparably harmed.

iii. Based upon the Motion, the First Day Declaration and the record presented to the Court at the Interim Hearing and the Final Hearing, the terms of the adequate protection granted to the Prepetition Lender as provided in this Final Order are fair and reasonable under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with the Debtors' fiduciary duties, and provide the Debtors reasonably equivalent value and fair consideration.

iv. The Prepetition Lender has not objected to entry of this Final Order, including the continued use of Cash Collateral, and has consented to such relief only on the terms and conditions set forth in this Final Order.

v. The use of Prepetition Collateral (including Cash Collateral) to, among other things, fund the administration of the Bankruptcy Cases and for working capital and general corporate purposes, and the incurrence and payment of any Adequate Protection Obligations (as defined below) pursuant to this Final Order, have been negotiated in good faith and at arm's-length among the Debtors and the Prepetition Lender.

vi. The Prepetition Lender has acted in good faith in all respects, including regarding the Debtors' continued use of the Prepetition Collateral (including Cash Collateral) to fund the administration of the Debtors' estates (including the incurrence and payment of and performance under the Adequate Protection Obligations and the granting of the Adequate Protection Liens (as defined below)), in accordance with the terms hereof, and the Prepetition Lender shall be entitled to the full protection of the Bankruptcy Code in the event that this Final Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

vii. The Prepetition Lender has acted in good faith and without negligence, misconduct, or violation of public policy or law, in respect of all actions taken by it in connection with or related in any way to negotiating, implementing, documenting, or obtaining requisite approvals of the use of Cash Collateral, including in respect of the granting of the Adequate Protection Liens, any challenges or objections to the use of Cash Collateral, and all other documents related to and all transactions contemplated by the foregoing.

I. Sections 506(c) and 552(b). In exchange for the consensual use of Cash Collateral consistent with the Approved Budget and the terms of this Final Order, which the Prepetition Lender has requested the waiver of, the Debtors have agreed to (i) waive any equities of the case exceptions or claims under section 552(b) and waive any unjust enrichment and similar equitable relief as set forth below, and (ii) waive the provisions of section 506(c) of the Bankruptcy Code subject to the terms hereof.

J. Immediate Entry. Good and sufficient cause exists for immediate entry of this Final Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2). The use of Cash Collateral in accordance with this Final Order is in the best interests of the Debtors' estates and consistent with the Debtors' exercise of their fiduciary duties. There is an immediate need for the relief provided herein and, accordingly, it is necessary to waive the 14-day stay of certain orders otherwise provided in the Bankruptcy Rules.

Based upon the foregoing findings and conclusions, the Motion and the record before this Court with respect to the Motion, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. Motion Granted. As amended herein, the Motion is granted on a final basis. The use of Cash Collateral on a final basis is authorized, subject to the terms of this Final Order.

2. Objections Overruled. Any and all objections to this Final Order, to the extent not withdrawn, waived, settled, or otherwise resolved, and all reservations of rights included therein, are hereby overruled on the merits. This Final Order shall become effective immediately upon its entry.

3. Agency Agreement. Pursuant to that certain Agency Agreement, dated as of November 16, 2025 (the “Agency Agreement”) executed by and between Borrower and Enhanced Retail Funding, LLC (“Agent”), Borrower shall establish depository accounts designated solely for the deposit of Proceeds, Additional Agent Goods Proceeds, other amounts contemplated by the Agency Agreement (as each term is defined in the Agency Agreement) and the disbursement of amounts payable to or by Agent (such accounts, the “Designated Deposit Accounts”). Agent shall have authority to sweep amounts on deposit in the Designated Deposit Accounts on a daily basis. Upon transfer of amounts in the Designated Deposit Accounts to accounts maintained by Agent in accordance with the Agency Agreement, title to such funds shall automatically transfer to the Agent, subject solely to Agent’s obligations to make required payments to the Borrower or the Prepetition Lender under either the Agency Agreement or further orders of the Court. Notwithstanding anything to the contrary in this Final Order or the Agency Agreement, Agent shall not be entitled to or granted any lien on or security interest in any of the Debtors’ assets, including, without limitation, the Prepetition Collateral or the Retained Actions.

4. Approved Budget Compliance and Reporting.

(a) Attached to this Final Order as **Exhibit 1** is a 13-week cash flow forecast beginning the week February 2, 2026, in form and substance acceptable to the Prepetition Lender, setting forth, among other things, the Debtors’ cash, revenue, cash flow, and net operating cash flow, trade payables, ordinary course expenses, total expenses, capital expenditures (if applicable), vendor disbursements, working capital, Consulting Fees (as defined in the Agency Agreement) and expenses due to Agent under the Agency Agreement, and fees and expenses of the Bankruptcy Cases (including categories for each professional for the Debtors, the Agent, the Special Committee, and the Committee) during such 13-week period that the Debtors are authorized to use

Cash Collateral (each budget, an “Approved Budget”). The Approved Budget shall be revised, in form and substance acceptable to the Prepetition Lender, upon consultation with the Committee (with any proposed revised budget provided to the Committee concurrently with the Prepetition Lender), on a four-week cycle (*i.e.*, every four weeks a new minimum 13-week cash flow forecast will be delivered to the Prepetition Lender).

(b) Any amendments, supplements, or modifications to the Approved Budget or Budget Variance Report (as defined below) shall be subject to the prior written approval of the Prepetition Lender (email being sufficient), in its sole discretion, and shall require three (3) business days advance notice to the Committee, prior to the implementation thereof, *provided however*, that the amount allocated for the Committee professional fees in the Approved Budget shall not be decreased, other than by order of the Bankruptcy Court, without the express consent of the Committee. If the Prepetition Lender does not approve an amended, supplemented, or modified budget proposed by the Debtors, then the prior Approved Budget shall remain in effect.

(c) The Debtors shall at all times comply with the Approved Budget, subject to the Permitted Variances. Commencing on the first Friday following the entry of this Final Order (or the successive business day if such Friday is not a business day) and continuing every week thereafter (by 12:00 p.m. (prevailing Eastern Time) on each such applicable Friday (or the successive business day if such Friday is not a business day)), the Debtors shall deliver by email to the Prepetition Lender and the Committee a variance report (each, a “Budget Variance Report”) for the immediately preceding four-week period then ended (the “Variance Period”) setting forth the difference between, on a line-by-line and aggregate basis, (i) actual operating disbursements, non-operating activities, and first day motion relief and budgeted operating disbursements, non-operating activities, and first day motion relief, (ii) actual operating receipts and budgeted

operating receipts, and (iii) actual professional fees and budgeted professional fees and describing in adequate detail all material variances for such Variance Period. The actual variances for each Variance Period (excluding, for purposes of determining Approved Budget compliance and calculation of the Permitted Variance (as defined below), fees for Debtors' Professionals, Special Committee's Professionals, and Committee Professionals (if any) (each as defined below), Lender's Professionals (as defined below), Consulting Fees (as defined in the Agency Agreement) and expenses of Agent) shall not reflect (a) total receipts of less than 75% of projected receipts for the Variance Period or (b) more than 110% of projected total payments for the Variance Period (the "Permitted Variance"); *provided* that a breach of the Permitted Variance shall not constitute an Event of Default, so long as the Debtors' ending cash is within \$200,000 of the ending cash indicated at the end of the Variance Period.

(d) Except as otherwise agreed to by the Prepetition Lender, the Debtors' use of Cash Collateral shall only be permitted pursuant to the terms of, and in accordance with, the Approved Budget, subject to the Permitted Variances. The Prepetition Lender shall have no obligation with respect to the Debtors' use of Cash Collateral and shall not be obligated to ensure or monitor the Debtors' compliance with the Approved Budget or to pay (directly or indirectly from Cash Collateral) any expenses incurred or authorized to be incurred pursuant to the Approved Budget. The consent of the Prepetition Lender to the use of Cash Collateral pursuant to this Final Order shall not be construed as consent to the use of any Cash Collateral after the occurrence of an Event of Default (other than funding the Carve-Out as set forth herein or otherwise provided in this Final Order), regardless of whether the aggregate funds shown on the Approved Budget have been expended. The Debtors shall provide the Prepetition Lender and the Committee with all reporting and other information required to be provided to the Prepetition Lender under this Final

Order. In addition to, and without limiting, whatever rights to access the Prepetition Lender has under the Prepetition Facility, upon reasonable notice, at reasonable times during normal business hours, the Debtors (or any successor thereto, including, but not limited to, a chapter 11 or chapter 7 trustee) shall permit representatives, advisors, agents, and employees of the Prepetition Lender and the Committee to: (i) have access to and inspect the Debtors' books and records; and (ii) discuss the Debtors' affairs, financings, and conditions with the Debtors' attorneys, financial advisors and employees (the "Access Rights") and the Debtors (or any successor thereto, including, but not limited to, a chapter 11 or chapter 7 trustee) shall cooperate with such Access Rights; *provided, however*, that the Prepetition Lender shall have no rights to access materials created or maintained by, or any work product of, the Special Committee.

5. Carve-Out.

(a) Carve-Out. As used in this Final Order, the "Carve-Out" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to \$75,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed by the Court, all unpaid fees and expenses incurred at any time by persons or firms retained or to be retained, pursuant to sections 327, 328, or 363 of the Bankruptcy Code, by (x) the Debtors (the "Debtors' Professionals") or (y) the Special Committee (as defined below) (the "Special Committee's Professionals") and such fees and expenses of the Debtors' Professionals and Special Committee's Professionals, the "Allowed Debtor Professional Fees," which amounts are limited to those contained in the Approved Budget and incurred at any time before or on the first business day following delivery

by the Prepetition Lender of a Carve-Out Trigger Notice (as defined below) whether allowed by the Court prior to or after delivery of a Carve-Out Trigger Notice; (iv) to the extent allowed by the Court, all unpaid fees and expenses incurred at any time by persons or firms retained or to be retained, pursuant to sections 327, 328, or 1103 of the Bankruptcy Code, by the Committee (the “Committee Professionals”) and such fees and expenses of the Committee Professionals, the “Allowed Committee Professional Fees” (together with the Allowed Debtor Professional Fees, the “Allowed Professional Fees”), which amounts are limited to those contained in the Approved Budget and incurred at any time before or on the first business day following delivery by the Prepetition Lender of a Carve-Out Trigger Notice (as defined below) whether allowed by the Court prior to or after delivery of a Carve-Out Trigger Notice; (v) Allowed Debtor Professional Fees incurred after the first business day following delivery by the Prepetition Lender of the Carve-Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise in an aggregate amount of \$100,000; (vi) Allowed Committee Professional Fees incurred after the first business day following delivery by Prepetition Lender of the Carve-Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise in an aggregate amount of \$100,000 (the amounts set forth in clauses (v) and (vi) being the “Post Carve-Out Trigger Notice Cap”); and (vii) all unpaid fees and expenses, as such fees and expenses become due and owing to Agent under the Agency Agreement, including the Agency Protections (as defined in the Agency Agreement), whether incurred prior to or after delivery of a Carve-Out Trigger Notice (the “Agent Fees”). For purposes of the foregoing, “Carve Out Trigger Notice” shall mean a written notice delivered by email (or other electronic means) by the Prepetition Lender to counsel for the Debtors and counsel for the Committee (with the Debtors to promptly provide a copy of such notice to counsel to the U.S. Trustee) (collectively, the “Notice”).

Parties”), which notice may be delivered following the occurrence of an Event of Default, stating that the Post-Carve-Out Trigger Notice Cap has been invoked.

(b) No Direct Obligation to Pay Allowed Professional Fees. The Prepetition Lender shall not be responsible for the payment or reimbursement of any fees or disbursements of any Debtors’ Professionals, Special Committee’s Professionals, Committee Professionals, or Agent (collectively, and including any other professional for a statutory or court-appointed group or individual, including a trustee or examiner, in the Bankruptcy Cases, collectively, the “Professionals”) incurred in connection with the Bankruptcy Cases or any successor cases under any chapter of the Bankruptcy Code. Nothing in this Final Order or otherwise shall be construed to obligate the Prepetition Lender, in any way, to pay compensation to, or to reimburse expenses of, any Professional or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(c) Fee Escrow Accounts. On the first Friday following entry of this Final Order, provided that the Debtors have sufficient funds to do so until the receipt of proceeds by the Debtors from the sale of assets conducted by Gordon Brothers, the Debtors shall continue to deposit into three (3) separate escrow accounts the following: (i) into an account maintained by Young Conaway Stargatt & Taylor, LLP, the aggregate amount of the fees and disbursements allocated to the Debtors’ Professionals and the Special Committee’s Professionals for the week immediately following the deposit date beginning on Monday, as set forth in the Approved Budget (the “Debtors’ Fee Escrow Account”); (ii) in an account maintained by Pachulski Stang Ziehl & Jones, proposed counsel the Committee, the aggregate amount of the fees and disbursements allocated to the Committee’s Professionals for the week immediately following the deposit date beginning on Monday as set forth in the Approved Budget (the “Committee Fee Escrow”).

Account”); and (iii) the aggregate amount of any Consulting Fees (as defined in the Agency Agreement) and expenses due to Agent under the Agency Agreement for the week immediately following the deposit date beginning on Monday as set forth in the Approved Budget (the “Agent Fee Escrow Account” and together with the Debtors’ Fee Escrow Account and the Committee Fee Escrow Account, the “Fee Escrow Accounts”). None of the Fee Escrow Accounts shall be subject to any liens or claims of the Prepetition Lender, including any liens or claims under this Final Order or the Prepetition Loan Documents, up to and including the Allowed Debtor Professional Fees, the Allowed Committee Professional Fees, and amount of the Agent Fees contained in the Approved Budget, respectively; *provided, however*, subject to paragraph 21 of this Final Order, the Adequate Protection Liens and Adequate Protection Superpriority Claims under this Final Order shall attach to amounts in the applicable Fee Escrow Accounts that, as applicable, (i) exceed the amounts set forth in the Approved Budget, (ii) after orders with respect to final fee applications become final and non-appealable, are otherwise not used or ordered to be used to pay the Allowed Debtor Professional Fees or the Allowed Committee Professional Fees (as applicable), or (iii) with respect to amounts in the Agent Fee Escrow Account, after the conclusion of the Final Reconciliation (as defined in the Agency Agreement) are not used or necessary to pay amounts outstanding to Agent under the Agency Agreement. The Debtors’ Professionals’ fees and expenses and the Special Committee’s Professionals’ fees and expenses shall be paid from the Debtors’ Fee Escrow Account and the Committee Professionals’ fees and expenses shall be paid from the Committee Fee Escrow Account as provided for by an order of the Court. The Agent Fees shall be paid from the Agent Fee Escrow Account to the extent permitted under the Agency Agreement and any Court order approving such agreement.

6. Limitation on Charging Expenses against Collateral. In light of, among other things, the agreement of the Prepetition Lender to allow the Debtors to use Cash Collateral as provided for herein, no costs or expenses of administration of these Bankruptcy Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the Prepetition Lender, and no consent shall be implied from any other action, inaction, or acquiescence by the Prepetition Lender, and nothing contained in this Final Order shall be deemed to be a consent by the Prepetition Lender to any charge, lien, assessment, or claims against the Prepetition Collateral under section 506(c) of the Bankruptcy Code or otherwise.

7. No Marshaling/Application of Proceeds. Subject to the limitations contained in paragraph 21 of this Final Order, the Prepetition Lender shall be entitled to apply the payments or proceeds of the Prepetition Collateral in accordance with the provisions of this Final Order and in no event shall the Prepetition Lender be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the Prepetition Collateral; *provided* that Recovery Actions and Recovery Action Proceeds may only be applied in satisfaction of any Adequate Protection Lien or Prepetition Superpriority Claim on account of any allowed Diminution in Value after the Prepetition Lender has exhausted all other sources of recovery for repayment of such claims.

8. Equities of the Case. In light of, among other things, the agreement of the Prepetition Lender to allow the Debtors to use Cash Collateral on the terms set forth herein, (a) the Prepetition Lender shall be entitled to the rights and benefits of section 552(b) of the Bankruptcy

Code, if any, and (b) in no event shall the “equities of the case” exception in section 552(b) of the Bankruptcy Code apply to any person asserting a prepetition lien on property of the estates under section 541 of the Bankruptcy Code with respect to proceeds, products, offspring, or profits of such property.

9. Payments Free and Clear. Subject and subordinate to the Carve-Out and subject to paragraph 21 of this Final Order, any and all authorized payments remitted to the Prepetition Lender pursuant to the provisions of this Final Order or any subsequent order of this Court shall be irrevocable, received free and clear of any claim, charge, assessment, or other liability, including, without limitation, any claim or charge arising out of or based on, directly or indirectly, sections 506(c) or 552(b) of the Bankruptcy Code, whether asserted or assessed by, through, or on behalf of the Debtors.

10. Use of Cash Collateral. The Debtors are hereby authorized to use all Cash Collateral solely in accordance with this Final Order, but only to the extent set forth in the Approved Budget, including, without limitation, to make payments on account of the Adequate Protection Fees and any other obligations provided for in this Final Order. Except as authorized pursuant to (a) the Approved Budget, (b) the terms and conditions of this Final Order, (c) an order of the Court, or (d) as otherwise agreed to by the Prepetition Lender in writing, prior to indefeasible payment in full in cash of the Prepetition Obligations, the Debtors shall be prohibited from at any time using the Cash Collateral.

11. Adequate Protection for the Prepetition Lender. Subject and subordinate only to the Carve-Out and the terms of this Final Order, including paragraph 21 of this Final Order, pursuant to sections 361, 363(e), and 364 of the Bankruptcy Code, as adequate protection of the Prepetition Lender’s interests in the Prepetition Collateral (including Cash Collateral), for any

postpetition diminution in value of such interests to the extent that the Prepetition Lender is entitled to adequate protection under the Bankruptcy Code (such diminution, a “Diminution in Value”), the Prepetition Lender is hereby granted the following (collectively, the “Adequate Protection Obligations”), and the adequate protection will otherwise include:

(a) Adequate Protection Liens. Subject in all cases to the Carve-Out and subject to paragraph 21 of this Final Order, effective as of the Petition Date (and in each case valid, perfected and enforceable without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or by possession or control by the Prepetition Lender or any other party), the Debtors granted, and hereby are deemed to have granted on a final basis, to the Prepetition Lender, valid, binding, continuing, enforceable, fully perfected, nonavoidable, first-priority senior (except, with respect to the Prepetition Liens and the Carve-Out), additional, and replacement security interests in and liens on (all such liens and security interests, the “Adequate Protection Liens”):

(i) *First Priority Liens on Unencumbered Property*. Pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code and solely to the extent of any Diminution in Value, a valid, binding, continuing, enforceable, fully-perfected first priority senior security interest in and lien upon all tangible and intangible prepetition and postpetition property of the Debtors, whether existing on the Petition Date or thereafter acquired, that, on or as of the Petition Date, is not subject to (A) a valid, perfected, and non-avoidable lien or (B) a valid and non-avoidable lien in existence as of the Petition Date that is perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code, and the proceeds, products, rents, and profits thereof (the “Unencumbered Property”). “Unencumbered Property” includes, without

limitation, any and all unencumbered assets (whether tangible, intangible, real, personal, or mixed) of the Debtors (and their bankruptcy estates) of any nature whatsoever and wherever located, whether first arising prior to or following the Petition Date, now owned or hereafter acquired, including all accounts, chattel paper, claims and causes of action, deposit accounts, documents, equipment, general intangibles, goods (including fixtures), instruments, inventory, investment property, money, cash, cash equivalents, and all deposit accounts, securities accounts, commodities accounts, and lockboxes, together with all money, cash, securities, and other investment property on deposit from time to time therein, letters of credit, letter-of-credit rights, and other supporting obligations, real property, books and records, and to the extent not otherwise included, all substitutions, replacements, accessions, products, and other proceeds and products (whether tangible or intangible and including, without limitation, insurance proceeds (including all proceeds from any directors’/officers’ liability insurance policies), licenses, royalties, income, payments, claims, damages, and proceeds of suit) of any and all of the foregoing, and all collateral security and guarantees given by any person with respect to any of the foregoing, the right, title, or interest in any capital stock, investment property, partnership, membership, or other equity or similar interests in any entity (whether or not such entity is a Debtor), including all capital stock, securities accounts, investment property, partnership, and membership, other equity or similar interests (and including all rights, beneficial interests, causes of action, and choses of action related thereto) of the Debtors, whether existing as of the Petition Date or after acquired including, (X) the proceeds or property recovered, whether by judgment, settlement, or otherwise, unencumbered or otherwise, of any claims and causes of action under sections 502(d), 544, 545, 548, 549, 550, 551, or 553(b) of the Bankruptcy Code (“Avoidance Actions”), (Y) the proceeds of property recovered, whether by judgment, settlement, or otherwise from all claims and causes of action

under section 549 of the Bankruptcy Code to recover any postpetition transfer of Prepetition Collateral, and (Z) all amounts recovered by the Debtors' estates under section 506(c) of the Bankruptcy Code ((X) through (Z), the "Recovery Actions," and the proceeds of property recovered, whether by judgment, settlement, or otherwise from Recovery Actions ("Recovery Action Proceeds"); but excluding any claims or causes of action (whether at law, in equity, or otherwise) against (A) (1) Compass Group Diversified Holdings LLC, solely in its capacities as shareholder, officer, director, and manager under the Management Agreement, or controlling person of the Debtors; and (2) any corporate affiliate(s) of Compass Group Diversified Holdings LLC to the extent such affiliate(s) were or acted as shareholders, officers, directors, managers under the Management Agreement, or controlling persons of the Debtors (collectively "Retained Actions") and any proceeds from such Retained Actions ("Retained Actions Proceeds"), and (B) any Avoidance Actions against the Prepetition Lender or claims or causes of action arising under section 547 of the Bankruptcy Code against any party (the "Excluded Avoidance Actions") and the proceeds thereof (the "Excluded Avoidance Action Proceeds").

(ii) *Liens Junior to Certain Other Liens.* Pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code and solely to the extent of any Diminution in Value, a valid, binding, continuing, enforceable, fully-perfected security interest in and lien upon all tangible and intangible pre- and postpetition property of each Debtor that is not Prepetition Collateral but is subject to either (A) valid perfected and non-avoidable liens in existence immediately prior to the Petition Date (other than the Prepetition Liens) or (B) valid and non-avoidable liens in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code (any such liens described in the foregoing clauses (A) and (B), the "Other Senior Liens"), and the proceeds, products, rents and profits

thereof, whether arising under section 552(b) of the Bankruptcy Code or otherwise, which security interest and lien shall be junior and subordinate to any such valid, perfected, and non-avoidable Other Senior Liens on such property in existence immediately prior to the Petition Date; but excluding Retained Actions, Retained Actions Proceeds, the Excluded Avoidance Actions, and the Excluded Avoidance Action Proceeds.

(iii) *Liens Senior to Prepetition Liens.* Pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code, the Prepetition Lender shall have and shall continue to have, to the extent of Diminution in Value (if any) of the Prepetition Collateral, a valid, binding, continuing, enforceable, fully perfected, non-voidable priming replacement lien on, and security interest in, all prepetition and postpetition property of Debtors that is of the same nature, scope, and type as the Prepetition Collateral, and all products, proceeds, rents and profits thereof, whether arising from section 552(b) of the Bankruptcy Code or otherwise; *provided* that the Adequate Protection Liens set forth in this paragraph (iii) shall be senior to the Prepetition Liens but junior to valid, perfected and non-avoidable Other Senior Liens on such property in existence immediately prior to the Petition Date that are permitted under the Prepetition Loan Documents to be senior to the Prepetition Liens granted to the Prepetition Lender; but excluding Retained Actions, Retained Actions Proceeds, the Excluded Avoidance Actions, and the Excluded Avoidance Action Proceeds.

(iv) Notwithstanding anything to the contrary in this Final Order and in addition to the exclusions set forth above, the Prepetition Lender shall not have an Adequate Protection Lien on or Adequate Protection Claim against (A) any Additional Agent Goods Proceeds (as defined in the Agency Agreement) held in the Designated Deposit Accounts, if any, prior to the daily transfer of such funds into accounts of the Agent as provided in the Agency

Agreement; (B) any nonresidential real property leases of the Debtors (but shall include any proceeds from the sale or other disposition of such leases) and no liens granted pursuant to this Final Order shall attach to the Debtors' leasehold interests; (C) any security deposits (in possession of the landlord) or the Debtors' interests, if any, in any pre-paid rent, unless liens on such security deposits or pre-paid rent are expressly permitted pursuant to the underlying lease documents; and (D) any insurance proceeds that are paid for damage to a landlord's property in accordance with the terms of the underlying leases.

(b) Prepetition Superpriority Claims. As additional adequate protection for any Diminution in Value, and to the extent provided by sections 503(b) and 507(b) of the Bankruptcy Code, an allowed superpriority administrative expense claim in the Bankruptcy Cases of each of the Debtors and payable from the proceeds of the Prepetition Collateral, but not the Retained Actions, the Retained Actions Proceeds, the Excluded Avoidance Actions, and the Excluded Avoidance Action Proceeds (the "Prepetition Superpriority Claims"). The Prepetition Superpriority Claims shall have priority over any and all other administrative expenses now existing or hereafter arising, of any kind whatsoever, of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code, and shall at all times be senior to the rights of the Debtors, any successor trustee, or any creditor in the Bankruptcy Cases or any subsequent proceedings under the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy, or attachment; *provided, however*, the Prepetition Superpriority Claims shall be subject to the Carve-Out.

(c) Fees and Expenses. As additional adequate protection, subject to paragraph 21 of this Final Order, but in no event prior to the date provided for below with regard to the Fee Objection Period (or any objection to such fees and expenses), the Debtors are authorized and directed to pay, without further Court order, the reasonable and documented fees and expenses (the “Adequate Protection Fees”), whether incurred before or after the Petition Date, of the Prepetition Lender, to the extent set forth in this Final Order. The Adequate Protection Fees shall include, without limitation, the reasonable documented fees, costs, and expenses of (i) Squire Patton Boggs (US) LLP, as counsel to the Prepetition Lender, (ii) Polsinelli PC, as Delaware counsel to the Prepetition Lender, and (iii) Ankura Consulting Group, LLC, as financial advisors to the Prepetition Lender (collectively, the “Lender’s Professionals”). Each of the Lender’s Professionals may seek the payment of fees and expenses from the Debtors by providing a summary invoice (which shall not be required to contain time entries and which may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney client privilege or of any benefits of the attorney work product doctrine) to counsel to the Debtors, the U.S. Trustee, and counsel to the Committee (collectively, the “Fee Notice Parties”). If no objection to payment of the requested Adequate Protection Fees is made, in writing, by any of the Fee Notice Parties within ten (10) business days after delivery of such an invoice (the “Fee Objection Period”), then such invoice shall be promptly paid by the Debtors without further order of, or application to, this Court or notice to any other party, and, in any case, within five (5) business days following the expiration of the Fee Objection Period. For the avoidance of doubt, the provision of such invoices shall not constitute a waiver of attorney-client privilege or any

benefits of the attorney work product doctrine. If, within the Fee Objection Period, a Fee Notice Party sends to the affected professional a written objection to such invoice, then only the disputed portion of such Adequate Protection Fees shall not be paid as set forth above until the objection is resolved by the applicable parties in good faith or, if no resolution can be achieved after good faith discussions, by order of this Court, and any undisputed portion shall be paid as soon as reasonably practicable and, in any case, within five (5) business days following the expiration of the Fee Objection Period and shall not be subject to any further review, challenge, or disgorgement. Subject to the terms hereof, the Debtors are authorized, without further notice or hearing, to pay all reasonable and documented fees, costs, and out-of-pocket expenses of the Prepetition Lender. Subject to paragraph 21 of this Final Order, any and all fees, costs, and expenses paid prior to the Petition Date by any of the Debtors to the Prepetition Lender (solely in its capacity as Prepetition Lender and in no other capacity) are hereby approved in full. Notwithstanding the foregoing, in the event of a successful Challenge, all Adequate Protection Fees that have been paid by the Debtors shall be subject to forfeiture or disgorgement as may be determined by further order of the Court.

(d) Intercompany Liens. All intercompany liens of the Debtors and their affiliates, if any, are hereby subordinated to the Adequate Protection Liens.

12. Perfection of Adequate Protection Liens.

(a) The Prepetition Lender is hereby authorized, but not required, without any action by any other person, to file or record (and to execute in the name of the Debtors, as their true and lawful attorneys, with full power of substitution, to the maximum extent permitted by law) security agreements, pledge agreements, financing statements, intellectual property filings, deeds of trust, mortgages, depository account control agreements, notices of lien, or similar

instruments in any jurisdiction, or take possession of or control over cash or securities, equity certificates or promissory notes, or take any other action in order to validate and perfect the Adequate Protection Liens. Whether or not the Prepetition Lender shall, in its discretion, choose to file such security agreements, pledge agreements, financing statements, intellectual property filings, deeds of trust, mortgages, depository account control agreements, notices of lien, or similar instruments or documents, or take possession of or control over cash or securities, equity certificates or promissory notes, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such Adequate Protection Liens shall be deemed valid, automatically perfected, allowed, enforceable, non-avoidable and effective by operation of law, and not subject to challenge, dispute, or subordination (subject to the priorities set forth in this Final Order), at the time and on the date of the entry of this Final Order, in any jurisdiction (domestic and foreign), without the need of any further action of any kind. This Final Order shall be sufficient and conclusive evidence of the creation, validity, automatic perfection, and priority of all liens granted herein, including the Adequate Protection Liens, without the necessity of filing or recording any security agreements, pledge agreements, financing statement, intellectual property filing, deed of trust, mortgage, depository account control agreement, notice of lien, or other instrument or document which may otherwise be required under the law of any jurisdiction or the taking of any other action to create, attach, validate or perfect the Adequate Protection Liens or to entitle the Adequate Protection Liens to the priorities granted herein. Upon the request of the Prepetition Lender, the Debtors, without any further consent of any party, are authorized to, and shall, take, execute, deliver, and file such instruments to enable the Prepetition Lender to further validate,

perfect, preserve, and enforce the Adequate Protection Liens, at the Debtors' sole cost and expense. All such documents will be deemed to have been recorded and filed as of the Petition Date.

(b) A copy of this Final Order may, in the discretion of the Prepetition Lender, be filed with or recorded in filing or recording offices in addition to, or in lieu of, such security agreements, pledge agreements, financing statements, intellectual property filings, mortgages, depository account control agreement, deeds of trust, notices of lien, or similar instruments, and all filing offices in all jurisdictions (domestic and foreign) are hereby authorized to accept such certified copy of this Final Order for filing and/or recording, as applicable. The automatic stay of section 362(a) of the Bankruptcy Code shall be modified to the extent necessary to permit the Prepetition Lender to take all actions in this subparagraph (b) and the immediately preceding subparagraph (a).

13. Section 507(b) Reservation. Nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event the Adequate Protection Obligations provided to the Prepetition Lender are insufficient to compensate for any Diminution in Value of its interests in the Prepetition Collateral during the Bankruptcy Cases. Nothing contained herein shall be deemed a finding by the Court, or an acknowledgment by the Prepetition Lender, that the adequate protection granted herein does in fact adequately protect against any Diminution in Value of the Prepetition Lender's interests in the Prepetition Collateral (including the Cash Collateral). All rights of the Committee and all other parties are reserved to contest any claim asserting a Diminution in Value by the Prepetition Lender.

14. Events of Default and Remedies.

(a) As used herein, an “Event of Default” shall mean the occurrence of any of the following events, unless waived in writing by the Prepetition Lender, in the Prepetition Lender’s sole discretion:

(i) Failure of the Debtors to obtain entry of this Final Order by the Court, in a form and substance acceptable to the Prepetition Lender, by February 13, 2026;

(ii) Failure of the Debtors to pay all of their undisputed administrative expenses in full in accordance with and subject to the terms as provided for in the Approved Budget and such failure shall not have been remedied or waived within five (5) business days after the earlier of (A) the date upon which an authorized agent of the Debtors had knowledge of such default and (B) the date upon which notice thereof is given to the Debtors and the Committee by the Prepetition Lender;

(iii) Failure of the Debtors to pay any of the undisputed Adequate Protection Fees (*i.e.*, Lender’s Professional Fees) when due;

(iv) Failure of the Debtors to perform or comply with any of their affirmative or negative covenants in this Final Order;

(v) [Reserved];

(vi) [Reserved];

(vii) Any Collateral Document (as defined in the DIP Credit Agreement shall cease to be in full force and effect; or any party shall contest in any manner the validity, binding nature or enforceability of any Collateral Document except as permitted under paragraphs 20 and 21 of this Final Order.

(viii) Any statement or certificate at any time given by the Debtors in writing, pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made;

(ix) This Final Order becomes stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of the Prepetition Lender;

(x) The Debtors shall default in the performance of or compliance with any term contained in the Interim Order or this Final Order;

(xi) [Reserved];

(xii) The entry of an order dismissing any Bankruptcy Case or converting any Bankruptcy Case to a case under chapter 7 of the Bankruptcy Code, or the Debtors file, without the prior written consent of the Prepetition Lender, a motion or other pleading seeking entry of such an order or supports or fails to timely oppose such dismissal or conversion;

(xiii) A trustee, responsible officer, or an examiner having expanded powers under section 1104 of the Bankruptcy Code (other than (A) a fee examiner or (B) for purposes of an investigation pursuant to sections 1106(a)(3) and (4) of the Bankruptcy Code) is appointed or elected in the Bankruptcy Cases, or the Debtors apply for, consent to, support, acquiesce in, or fail to timely oppose, any such appointment, or the Bankruptcy Court shall have entered an order providing for such appointment, in each case without the prior written consent of the Prepetition Lender in the Prepetition Lender's sole discretion;

(xiv) The Debtors take any action to, or fail to take all reasonable actions necessary to oppose any action by any other person (including, but not limited to, (A) challenging the standing of such party to bring any such action, (B) filing pleadings, providing evidentiary support, and appearing in court to support and present the same in opposition of such party's action,

and (C) timely prosecuting all available appeals of any order or decision authorizing such party's actions or approving relief granted to such party or timely opposing all appeals (or attempts to appeal) of decisions denying standing or relief to such party), in each case, except as expressly permitted in the Interim Order or this Final Order, (i) impair any of the material rights and remedies of the Prepetition Lender under the Interim Order or this Final Order, or (ii) avoid, subordinate, disallow, or require disgorgement by the Prepetition Lender of any amount received in respect of the Adequate Protection Obligations or under the Interim Order or this Final Order;

(xv) At any time after the execution and delivery thereof, (A) this Final Order ceases to be in full force and effect (other than by reason of a release of Prepetition Collateral in indefeasible satisfaction in full of the Prepetition Obligations in accordance with the terms hereof) or shall be declared null and void, or the Prepetition Lender shall not have or shall cease to have valid and perfected first priority Prepetition Liens, subject only to the Carve-Out, in any material portion of Prepetition Collateral purported to be covered by the Prepetition Loan Documents or (B) the Debtors shall contest the validity or enforceability of the Prepetition Loan Documents in writing or deny in writing that they have any liability under the Prepetition Loan Documents;

(xvi) Subject to paragraph 21 of this Final Order, at any time after the execution and delivery thereof, the Prepetition Liens created by the Prepetition Loan Documents shall not constitute a valid and perfected first priority lien on the Prepetition Collateral intended to be covered thereby (to the extent perfection by filing, registration, recordation or possession is required herein or therein) in favor of the Prepetition Lender, free and clear of all other liens (other than the Carve-Out and liens permitted by the Prepetition Loan Documents), or, except for expiration in accordance with their terms, the Prepetition Loan Documents shall for whatever

reason be terminated or cease to be in full force and effect, or the enforceability thereof shall be contested by the Debtors;

(xvii) Any super-priority administrative expense claim or lien (other than the Carve-Out) that is *pari passu* with or senior to the Prepetition Superpriority Claims, Adequate Protection Liens, Prepetition Liens, and/or claims of the Prepetition Lender in connection with the Prepetition Loan Documents shall have arisen or been authorized or allowed;

(xviii) Any judicial process, condemnation, or forfeiture proceedings are brought against any material item or portion of the Prepetition Collateral or any rights therein shall be subject to such judicial process, condemnation, or forfeiture proceedings and such judicial process, condemnation, or foreclosure proceeding is not stayed within five (5) business days, or any order is entered adversely affecting the Prepetition Lender's rights with respect to any material item or portion of the Prepetition Collateral;

(xix) The filing of a motion, pleading, or proceeding by the Debtors which could reasonably be expected to result in a material impairment of the rights or interests of the Prepetition Lender under the Prepetition Loan Documents, the Interim Order, or this Final Order, or a determination by a court with respect to a motion, pleading, or proceeding brought by another party which results in such a material impairment;

(xx) [Reserved]

(xxi) The failure of the Debtors to comply with any of the Milestones (as defined below);

(xxii) The Debtors make any payments of principal or interest or otherwise on account of any prepetition claims other than payments authorized by the Approved Budget

and/or the Court in respect of “first day orders” or other orders entered upon pleadings in form and substance reasonably satisfactory to the Prepetition Lender;

(xxiii) The Court shall enter an order or orders granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code to any creditor or party in interest (other than the Prepetition Lender) (i) to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) on any assets of any Debtor, or (ii) to permit other actions that, in each case, the Prepetition Lender may, in the Prepetition Lender’s sole discretion, deem to have a Material Adverse Effect;

(xxiv) Any Governmental Authority (as defined in the Prepetition Loan Documents), by a final, nonappealable order, ruling or other action, shall prevent the Debtors from conducting any material part of the Debtors’ business, to the extent such prevention could reasonably be expected to result in a Material Adverse Effect;

(xxv) The loss, revocation, or termination of any license, permit, lease, or agreement necessary or material to the Debtors’ business, or the cessation of any material part of the Debtors’ business, to the extent such loss, revocation, or termination could reasonably be expected to result in a Material Adverse Effect;

(xxvi) Any judgments which are in the aggregate in excess of \$100,000 as to any postpetition obligation shall be rendered against the Debtors and the enforcement thereof shall not be stayed (by operation of law, the rules or orders of a court with jurisdiction over the matter or by consent of the party litigants); or there shall be rendered against the Debtors a nonmonetary judgment with respect to a postpetition event which causes or would reasonably be expected to cause a Material Adverse Effect;

(xxvii) Resignation or termination of the Debtors' Chief Restructuring Officer ("CRO") if a replacement is not identified within five (5) business days of such resignation or termination and such replacement is not acceptable to the Prepetition Lender in its sole discretion;

(xxviii) An application shall be filed by the Debtors for the approval of, or an order of the Court shall be entered granting, any liens in the Bankruptcy Cases that are *pari passu* with or senior to the Prepetition Liens (other than the Carve-Out);

(xxix) There shall exist any claims (as such word is defined in the Bankruptcy Code) that are senior to or *pari passu* with the Prepetition Lender's Prepetition Superpriority Claims, other than the Carve-Out and the Prepetition Obligations owed to the Prepetition Lender;

(xxx) An order shall be entered by the Court terminating any of the Debtors' exclusive periods for proposing a Chapter 11 plan;

(xxxi) Dismissal or conversion of any of the Bankruptcy Cases;

(xxxii) Allowance of a claim under section 506(c) of the Bankruptcy Code;

(xxxiii) An amendment or modification to, or revocation or termination of, the letter of credit issued for the benefit of any Debtor pursuant to the Agency Agreement;

(xxxiv) [Reserved];

(xxxv) The Debtors file or support any pleading seeking relief the granting of which would give rise to an Event of Default; or

(xxxvi) Failure of the Debtors to confirm a Chapter 11 plan and have such plan go effective by June 1, 2026; *provided, however*, to the extent the Debtors file a Chapter 11 plan that is not acceptable in all respects to the Prepetition Lender, the Prepetition Lender reserves

all rights with respect to such a Chapter 11 plan and reserves the right to seek to terminate the Debtors' use of Cash Collateral under this Order or any other Order of the Court and to pursue any other remedy available to the Prepetition Lender under applicable law.

(b) Upon the occurrence of an Event of Default, the Prepetition Lender may, but is not required to, exercise all rights and remedies provided for in the Prepetition Loan Document and this Final Order, and may declare, subject to payment of the Carve-Out (i) the termination, reduction, or restriction of the Debtors' use of Cash Collateral; (ii) all obligations to be immediately due and payable, without presentment, demand, protest, or other notice of any kind, all of which are expressly waived by the Debtors; and (iii) the termination of the commitments under this Final Order as to any future liability or obligation of the Prepetition Lender, but without affecting any of the Adequate Protection Liens or the liabilities or obligations of the Debtors; *provided that* upon the occurrence and during the continuance of an Event of Default, prior to the exercise of any enforcement or liquidation remedies by the Prepetition Lender, the Prepetition Lender shall be required to provide to the Notice Parties with five (5) business days' written notice (the "Remedies Notice Period"), which may be by email (the "Enforcement Notice") and obtain further order of the Court authorizing any exercise of remedies by the Prepetition Lender so long as any Challenge Period remains pending or any Challenge has been asserted.

(c) Upon delivery of an Enforcement Notice, any Notice Party or other party in interest may request an expedited hearing, and each of the Prepetition Lender, the Debtors, and the Committee (if any), as applicable, consent to a hearing on an expedited basis; *provided that* if a request for such hearing is made prior to the end of the Remedies Notice Period, then the Remedies Notice Period shall be continued until the Court hears and rules with respect thereto. During the

Remedies Notice Period, (i) the Prepetition Lender may not exercise any rights or remedies to satisfy the Prepetition Obligations and the Adequate Protection Obligations, including any rights or remedies against the Prepetition Collateral; and (ii) the Debtors shall continue to have the right to use the Cash Collateral solely to fund the Carve-Out and expenses critically necessary to preserve the value of the Debtors' businesses and the Prepetition Collateral and to pay employee-related expenses incurred through and including the expiration of the Remedies Notice Period, which expenses shall be incurred in accordance with the terms of this Final Order and the Approved Budget. At the end of the Remedies Notice Period, unless the Court has entered an order to the contrary or otherwise fashioned an appropriate remedy, the Debtors' right to use the Cash Collateral shall immediately cease, unless otherwise provided herein, and the Prepetition Lender shall have the rights set forth in paragraph 14(b), subject to obtaining further relief from the automatic stay so long as any Challenge Period remains pending or any Challenge has been asserted.

(d) Notwithstanding the foregoing, the Prepetition Lender may only enter upon a leased premises of the Debtors after an Event of Default in accordance with (i) a separate written agreement among the Prepetition Lender and the applicable landlord for the leased premises, (ii) any pre-existing rights of the Prepetition Lender under applicable non-bankruptcy law, (iii) written consent of the applicable landlord for the leased premises, or (iv) entry of an order by this Court approving such access to the leased premises after notice and an opportunity to be heard for the applicable landlord for the leased premises.

15. Reporting Covenants. The Debtors shall comply with the following reporting requirements:

(a) delivery by the Debtors or their advisors to the Prepetition Lender and the Committee of a confidential weekly report summarizing weekly sales and results of the implementation of the Debtors' sales efforts, including delivery of bank statements and other information available regarding the Designated Deposit Accounts;

(b) within one (1) business day of receipt, the Debtors will provide to the Prepetition Lender and the Committee or their advisors copies of all indications of interest, letters of intent, or draft purchase agreements received from any third-party;

(c) the Debtors and their advisors will hold a weekly call with the Prepetition Lender and the Committee and their advisors to provide an update on the Debtors' sales efforts; and

(d) weekly collateral (accounts receivable, inventory, and cash) reporting for the Prepetition Lender and the Committee.

16. Joint and Several. Subject to paragraph 21 of this Final Order, the Debtors are jointly and severally liable for the Prepetition Obligations, the Adequate Protection Obligations, and all other obligations hereunder owed to the Prepetition Lender.

17. No Waiver for Failure to Seek Relief. No failure or delay on the part of the Prepetition Lender to exercise any rights under the Prepetition Loan Documents, the Interim Order, or this Final Order shall operate as a waiver thereof, nor shall any single or partial exercise by Prepetition Lender of any right under the Prepetition Loan Documents, the Interim Order, or this Final Order preclude any further exercise thereof, or the exercise of any other right. Each and every right or remedy granted under the Prepetition Loan Documents, the Interim Order, or this Final Order, or under any document delivered thereunder or in connection therewith or allowed to

the Prepetition Lender in law or equity shall be deemed cumulative and may be exercised from time to time.

18. Preservation of Rights Granted Under this Final Order.

(a) Subject and subordinate in all cases to the Carve-Out, and other than as otherwise set forth in this Final Order, subject to paragraph 21 of this Final Order, the Adequate Protection Liens shall not be made subject or subordinate to, or *pari passu* with, any lien or security interest granted in any of the Bankruptcy Cases or arising after the Petition Date, and the Adequate Protection Liens shall not be subject or subordinate to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code.

(b) In the event that this Final Order or any provision hereof is reversed or modified on appeal, the validity and priority of any liens or claims granted to the Prepetition Lender hereunder arising prior to the effective date of any such reversal or modification of this Final Order shall be governed in all respects by the original provisions of this Final Order, including entitlement to all rights, remedies, privileges, and benefits granted herein, subject to paragraph 21 of this Final Order.

(c) Notwithstanding any order dismissing any of the Bankruptcy Cases under section 1112 of the Bankruptcy Code or otherwise entered at any time: (i) the Carve-Out, the Adequate Protection Liens, the Prepetition Superpriority Claims, and the other administrative claims granted pursuant to this Final Order shall continue in full force and effect, and shall maintain their relative priorities as provided in this Final Order until all Adequate Protection Obligations are indefeasibly paid in full, in cash (and such Adequate Protection Liens, Prepetition Superpriority Claims, and other administrative claims granted pursuant to this Final Order shall, notwithstanding such dismissal, remain binding on all parties in interest); (ii) the other rights

granted by this Final Order shall not be affected; and (iii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens, and security interests referred to in this paragraph 18 and otherwise in this Final Order.

(d) Notwithstanding anything to the contrary in this Final Order, nothing in this Final Order shall affect any right of the Prepetition Lender to object, in its sole discretion, to any sale of the Debtors' assets or any Chapter 11 plan.

19. Expenses and Indemnification of the Prepetition Lender. The Debtors are authorized and directed to pay, without further Court order, the reasonable and documented fees and expenses, whether incurred before or after the Petition Date, by professionals or consultants retained by the Prepetition Lender (solely in their capacity as such) including, for the avoidance of doubt, the fees and expenses of the Lender's Professionals, incurred in connection with the Bankruptcy Cases, including in connection with (i) the discussion, negotiation, preparation, execution, and delivery of any documents in connection with the prepetition restructuring of the Debtors, the Bankruptcy Cases, the Interim Order, or this Final Order, and (ii) the wind-down, sale, liquidation, reorganization or other disposition of any or all of the Debtors' assets (collectively, the "Lender's Professional Fees"). The Lender's Professionals shall not be required to file motions or applications with respect to the Lender's Professional Fees but shall comply with the notice requirements set forth in paragraph 11(c) of this Final Order.

20. Limitation on Use of Cash Collateral. Subject to paragraph 21 hereof, none of the Prepetition Collateral or the proceeds thereof, including Cash Collateral, or the Carve-Out may be used: (a) to investigate, initiate, prosecute, join, or finance the initiation or prosecution of any claim, counterclaim, action, suit, arbitration, proceeding, application, motion, objection, defense, or other litigation of any type, (i) against the Prepetition Lender under this Final Order or the

Prepetition Loan Documents, including, without limitation, for the payment of any services rendered by the Debtors' Professionals, the Special Committee's Professionals, or the Committee's Professionals in connection with the assertion of or joinder in any claim, counterclaim, action, proceeding, application, motion, objection, defense, or other contested matter, the purpose of which is to seek, or the result of which would be to obtain, any order, judgment, determination, declaration, or similar relief that would impair the ability of the Prepetition Lender to recover on the Prepetition Collateral, or seeking affirmative relief against the Prepetition Lender related to the Prepetition Obligations, (ii) seeking to invalidate, set aside, avoid, or subordinate, in whole or in part, the Adequate Protection Obligations, Adequate Protection Liens, the Prepetition Obligations, or the Prepetition Liens in the Prepetition Collateral, or (iii) for monetary, injunctive, or other affirmative relief against the Prepetition Lender, or their respective liens on, or security interests in, the Prepetition Collateral, the Prepetition Superpriority Claims, Prepetition Obligations, Adequate Protection Liens, or Adequate Protection Obligations, in each case that would impair the ability of the Prepetition Lender to assert or enforce any lien, claim, right, or security interest, or to realize or recover on the Prepetition Obligations or the Adequate Protection Obligations to the extent permitted or provided hereunder; (b) for objecting to or challenging in any way, the legality, amount, validity, extent, priority, perfection, or enforceability of the claims, liens, or interests (including the Prepetition Liens) held by or on behalf of the Prepetition Lender related to the Prepetition Obligations or the Adequate Protection Obligations; (c) for asserting, commencing, or prosecuting any claims or causes of action whatsoever, including, without limitation, any Recovery Actions, to the extent such claims or causes of action are related to the Prepetition Superpriority Claims, the Adequate Protection Obligations, the Adequate Protection Liens, the Prepetition Obligations, or the Prepetition Liens; and (d) for prosecuting an objection to, contesting in any

manner or raising any defenses to, the legality, validity, extent, amount, perfection, priority, or enforceability of, through any Retained Actions or otherwise, any of the Prepetition Liens or any other rights or interests of the Prepetition Lender related to the Prepetition Obligations, the Prepetition Superpriority Claims, or the Adequate Protection Obligations; *provided* that the Prepetition Collateral, including Cash Collateral, and the proceeds thereof used to fund the Carve-Out, may be used to pay the (y) allowed fees and expenses, in an amount not to exceed the fees and expenses of the Committee's Professionals set forth in the Approved Budget (the "Investigation Budget"), incurred solely by the Committee to investigate, but not to prepare, initiate, litigate, prosecute, object to, or otherwise pursue a Challenge (as defined below), any claims, causes of action, adversary proceedings, or other litigation against the Prepetition Lender; and (z) fees and expenses, in an amount not to exceed the amount set forth in the Approved Budgets, incurred by the Special Committee of the Board of Directors of Borrower (the "Special Committee") (including the fees and expenses of the Special Committee's Professionals as set forth in the Approved Budgets) in connection with its investigation of any claims, including Retained Actions, relating to fraud and similar allegations associated with the Borrower's prepetition operations. Notwithstanding the foregoing and the inclusion of Professionals' fees and disbursements in the Approved Budget, the Prepetition Lender reserves all rights to object to the payment of any such fees and disbursements, whether requested pursuant to a monthly, interim, or final fee application, on any grounds under applicable law including that such fees are unreasonable.

21. Effect of Stipulations on Third Parties.

(a) The stipulations, admissions, waivers, and releases contained in paragraph F hereof and any other provisions of this Final Order subject to the terms of this

paragraph 21 shall be binding upon the Debtors (including their representatives) and any successors or assigns thereto upon entry of this Final Order. The stipulations, admissions, waivers, and releases contained in this Final Order shall also be binding upon all other parties in interest, including any statutory or non-statutory committees appointed or formed in the Bankruptcy Cases, including the Special Committee and the Committee, or any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors (a “Trustee”), unless (i) a party with requisite standing has duly filed an appropriate pleading challenging the legality, amount, validity, perfection, priority, extent, or enforceability of the Prepetition Liens or the Prepetition Obligations, or otherwise asserting or prosecuting any Avoidance Actions or any other claims, counterclaims, or causes of action, objections, contests, or defenses against the Prepetition Lender in connection with any matter related solely to the Prepetition Loan Documents, the Prepetition Collateral, the Prepetition Liens, or the Prepetition Obligations (each such proceeding or contested matter, a “Challenge”) by **April 30, 2026**, subject to further extension (A) by written agreement (which writing may be in the form of e-mail by counsel) of the Prepetition Lender in its sole discretion, or (B) by order of this Court for good cause shown pursuant to an application filed and served by a party in interest prior to the expiration of the Challenge Period (the “Challenge Period”); *provided, however*, if, within the Challenge Period, a party in interest (including the Committee or any successors or assigns thereof) files a motion for standing to pursue a Challenge and attaches thereto a draft complaint asserting colorable causes of action and, in such instance, the Challenge Period shall be tolled until two (2) business days after the date that the Court enters an order on any such extension motion or standing motion and; *provided further*, in the event that, prior to the expiration of the Challenge Period, (1) the Bankruptcy Cases are converted to cases under chapter 7 of the Bankruptcy Code or (2) a chapter 11 trustee is appointed in the Bankruptcy Cases, then in

each such case, the Challenge Period shall be extended for a period of sixty (60) calendar days solely with respect to any Trustee, commencing on the occurrence of either of the events described in the foregoing clauses (1) and (2); and (ii) an order is entered by a court of competent jurisdiction and becomes final and non-appealable in favor of the plaintiff sustaining any such Challenge or claim in any such duly filed adversary proceeding or contested matter. If no such adversary proceeding or contested matter is timely filed prior to the expiration of the Challenge Period, without further order of this Court: (i) the Prepetition Obligations shall constitute allowed claims, not subject to any Challenge (whether characterized as a counterclaim, setoff, subordination, recharacterization, defense, avoidance, contest, attack, objection, recoupment, reclassification, reduction, disallowance, recovery, disgorgement, attachment, “claim” (as defined by section 101(5) of the Bankruptcy Code), impairment, subordination (whether equitable, contractual or otherwise), or other challenge of any kind pursuant to the Bankruptcy Code or applicable non-bankruptcy law), for all purposes in the Bankruptcy Cases and any subsequent chapter 7 cases, if any; (ii) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, perfected, and of the priority specified in paragraph F hereof, not subject to setoff, subordination, defense, avoidance, impairment, disallowance, recharacterization, reduction, recoupment, or recovery; and (iii) the Prepetition Obligations, the Prepetition Liens on the Prepetition Collateral, and the Prepetition Lender shall not be subject to any other or further Challenge, and any party in interest shall be forever barred from seeking to exercise the rights of the Debtors’ estates or taking any such action, including any successor thereto (including any estate representative or a Trustee, whether such Trustee is appointed or elected prior to or following the expiration of the Challenge Period). If any adversary proceeding or contested matter is timely filed by a party that has standing as provided above and in accordance with applicable law prior to

the expiration of the Challenge Period, (i) the stipulations and admissions contained in this Final Order shall nonetheless remain binding and preclusive on all other parties in interest, except with respect to any party or successor thereto that timely files a Challenge and solely as to any stipulations or admissions that are specifically and expressly challenged in such adversary proceeding or contested matter; and (ii) any Challenge not brought in such adversary proceeding or contested matter shall be forever barred; *provided* that if and to the extent any Challenges to a particular stipulation or admission are withdrawn, denied, or overruled by a final non-appealable order, such stipulation shall also be binding on the Debtors' estates and all parties in interest. The Prepetition Lender and, to the extent necessary, the Debtors, waive any right to contest the Committee's standing or ability to seek standing on grounds that the Committee or any successors or assigns thereof cannot obtain standing as a matter of law because the applicable Debtor is a limited liability company and applicable non-bankruptcy law prohibits a party other than the Debtors from bringing claims on behalf of such an entity.

(b) Nothing in this Final Order vests or confers on any person (as defined in the Bankruptcy Code), including any Committee, standing or authority to pursue any claims or causes of action belonging to the Debtors or their estates, including, without limitation, any Challenge with respect to the Prepetition Loan Documents or the Prepetition Obligations, and all rights to object to such standing are expressly reserved.

22. Release. Subject only to the rights of parties in interest, other than the Debtors, pursuant to paragraphs 20 and 21 of this Final Order, each of the Debtors, on its own behalf and on behalf of its past, present, and future predecessors, successors, heirs, subsidiaries, and assigns, hereby absolutely, unconditionally, and irrevocably releases and forever discharges and acquits the Prepetition Lender and its respective affiliates, and its respective former or current officers,

partners, directors, managers, owners, members, principals, employees, agents, related funds, investors, financing sources, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, and the respective successors and assigns thereof, solely in their capacities as such (collectively, the “Released Parties”), from any and all obligations and liabilities to the Debtors (and their successors and assigns) and from any and all claims, counterclaims, demands, defenses, offsets, debts, accounts, contracts, liabilities, actions, and causes of action arising prior to the Petition Date of any kind, nature, or description, whether matured or unmatured, known or unknown, asserted or unasserted, foreseen or unforeseen, accrued or unaccrued, suspected or unsuspected, liquidated or unliquidated, pending or threatened, arising in law or in equity, upon contract, tort, or under any state or federal law or otherwise, to the extent arising out of or related to the Prepetition Facility, the Prepetition Obligations, the Prepetition Liens, the Prepetition Superpriority Claims, and all other obligations owing and financial obligations made under such facilities and agreements, and the negotiation of any of the foregoing, in each case that the Debtors at any time had, now have, or may have, or that their successors or assigns hereafter can or may have, against any of the Released Parties for or by reason of any act, omission, matter, cause, or thing whatsoever arising at any time on or prior to the date of this Final Order; *provided that* nothing herein shall relieve the Released Parties from fulfilling their obligations under this Final Order; and *provided further* that, notwithstanding anything to the contrary in this Final Order (including this paragraph 22), none of the Debtors are releasing any Retained Actions against any party nor shall anything impair the rights of the Special Committee to pursue such Retained Actions. The Committee shall have until the later of (a) the Challenge Period; or (b) sixty (60) calendar days after the Special Committee provides the Committee with

its final report to file any objection to any settlement or any other action the Special Committee requests authority to take as a result of the conclusions reached in the final report.

23. Turnover. Except as expressly permitted in this Final Order or any “first day order,” and except with respect to the Prepetition Lender, in the event that any person or entity receives any payment on account of a security interest in the Prepetition Collateral (other than with respect to the Carve-Out or any preexisting perfected, valid, and not avoidable liens senior to the Prepetition Liens), receives any Prepetition Collateral or any proceeds of the Prepetition Collateral or receives any other payment or distribution with respect thereto from any other source prior to indefeasible payment in full in cash of all Prepetition Obligations, such person or entity shall be deemed to have received, and shall hold, any such Prepetition Collateral or any payment on account or proceeds thereof in trust for the benefit of the Prepetition Lender and, upon the indefeasible payment in full in cash of the Prepetition Obligations, such person or entity shall immediately turn over such collateral, proceeds, payment, or distribution to the Prepetition Lender for application in accordance with the Prepetition Loan Documents and this Final Order, in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The Prepetition Lender is hereby authorized to make any such endorsements as agent for such person or entity, and such authorization is coupled with an interest and is irrevocable (subject to paragraph 21 of this Final Order).

24. Insurance. At all times the Debtors shall maintain casualty and loss insurance coverage for the Prepetition Collateral on substantially the same basis as maintained prior to the Petition Date. Subject to paragraph 21 of this Final Order, the Prepetition Lender is, and will be deemed to be, without any further action or notice, named as an additional insureds and lender’s loss payees on each insurance policy maintained by the Debtors which in any way relates to the

Prepetition Collateral, provided, that the rights or liens granted hereunder shall not interfere with any rights held by a landlord to insurance proceeds for damages to a landlord's property.

25. Loss or Damage to Collateral. The Prepetition Lender shall not, in any way or manner, be liable or responsible for (a) the safekeeping of the Prepetition Collateral, (b) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (c) any diminution in value thereof, or (d) any act or default of any carrier, servicer, bailee, custodian, forwarding agency, or other person. All risks of loss, damage, or destruction of Prepetition Collateral shall be borne by the Debtors.

26. No Requirement to Accept Title to Collateral. Except as may be otherwise agreed in writing, the Prepetition Lender shall not be obligated to accept title to any portion of the Prepetition Collateral in the payment of the indebtedness owed to such parties by the Debtors, in lieu of payment in cash or cash equivalents, nor shall the Prepetition Lender be obligated to accept payment in cash or cash equivalents that is encumbered by any interest of any person or entity other than the Prepetition Lender.

27. Restrictions on Transfer of Prepetition Collateral to Non-Debtor Affiliates. The Debtors shall not transfer or use any Prepetition Collateral, including Cash Collateral, to or for the benefit of any direct or indirect non-debtor affiliate or subsidiary of the Debtors, including Lugano Diamonds UK, Ltd, absent the express written consent of the Prepetition Lender and the Committee or as set forth in the Approved Budget.

28. No Waiver by Failure to Seek Relief. The failure of the Debtors or Prepetition Lender to seek relief or otherwise exercise their rights and remedies under this Final Order, the Prepetition Loan Documents, or applicable law, as the case may be, shall not constitute a waiver of any of the rights hereunder, thereunder, or otherwise.

29. Binding Effect; Successors and Assigns. Subject to paragraph 21(a) of this Final Order, the provisions of this Final Order, including all findings herein, shall be binding upon all parties in interest in the Bankruptcy Cases, including, without limitation, the Prepetition Lender, the Committee, and the Debtors and their respective successors and assigns (including any trustee hereinafter appointed or elected for the estate of any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors), and shall inure to the benefit of the Prepetition Lender; *provided* the Prepetition Lender shall not have any obligation to permit the use of Prepetition Collateral (including Cash Collateral) or to extend any financing to any trustee or similar responsible person appointed for the estates of the Debtors.

30. Limitation of Liability. Solely in determining to permit the use of Cash Collateral or exercising any rights or remedies (excluding any actions taken after an exercise of remedies) as and when permitted pursuant to this Final Order or the Prepetition Loan Documents, the Prepetition Lender shall not be deemed to be in control of the operations of the Debtors or to be acting as a “responsible person” or “owner or operator” with respect to the operation or management of the Debtors or their respective business, nor shall the Prepetition Lender owe any fiduciary duty to any of the Debtors, their creditors, or estates, or constitute or be deemed to constitute a joint venture or partnership with any of the Debtors; *provided* that the Court may assess conduct referenced in the foregoing after it occurs and act accordingly. Furthermore, nothing in this Final Order shall in any way be construed or interpreted to impose or to allow the imposition upon the Prepetition Lender of any liability for any claims arising from the prepetition or postpetition activities of any of the Debtors and their respective affiliates (as defined in section

101(2) of the Bankruptcy Code); *provided, however*, that nothing in this Final Order shall prohibit the assertion of any Retained Actions against any party.

31. Master Proof of Claim. The Prepetition Lender shall not be required to file proofs of claim in any of the Bankruptcy Cases or any successor cases for any claim allowed herein, and the entry of this Final Order shall be deemed to constitute a timely filed proof of claim with respect to the Prepetition Obligations against each of the applicable Debtors in the Bankruptcy Cases. Notwithstanding any order entered by the Court in relation to the establishment of a bar date in any of the Bankruptcy Cases or any successor cases to the contrary, the Prepetition Lender is authorized and entitled, but not directed or required, to file (and amend and/or supplement) one master proof of claim on account of any and all of the respective claims arising under the Prepetition Loan Documents (the “Master Proof of Claim”). For administrative convenience, any Master Proof of Claim authorized herein may be filed in the claims register in the case of Debtor Lugano Diamonds & Jewelry, Inc. with respect to all amounts asserted in such Master Proof of Claim, and such Master Proof of Claim shall be deemed to be filed and asserted by the applicable entity or entities against every Debtor asserted to be liable for the applicable claim. For the avoidance of doubt, the provisions set forth in this paragraph 31 and any Master Proof of Claim filed pursuant to the terms hereof are intended solely for the purpose of administrative convenience and shall not affect the substantive rights of any party in interest or their respective successors in interest, including, without limitation, the numerosity requirements set forth in section 1126 of the Bankruptcy Code. The Prepetition Lender shall not be required to attach any instruments, agreements, or other documents evidencing the obligations owing by each of the Debtors to the Prepetition Lender, which instruments, agreements, or other documents will be provided upon written request to counsel to the Prepetition Lender. Any order entered by the Court in relation to

the establishment of a bar date for any claim (including any administrative claim) in any of the Bankruptcy Cases or any successor cases shall not apply to the Prepetition Lender.

32. Reservation of Rights. Nothing in this Final Order shall be construed as consent to the allowance of any fees, expenses, reimbursement, or compensation sought by any Professional, and the Prepetition Lender reserves the right to review and object to any fee statement, interim application, monthly application, or final application issued or filed by any Professional. Notwithstanding anything to the contrary in this Final Order, the payment of any Allowed Professional Fees pursuant to the Carve-Out shall not (a) reduce any Debtor's obligations owed to the Prepetition Lender (whether under this Final Order or otherwise) or (b) modify, alter, or otherwise affect any of the liens and security interests of such parties (whether granted under this Final Order or otherwise) in the Prepetition Collateral.

33. Automatic Stay Modified. To the extent not otherwise provided, the automatic stay imposed under section 362(a)(2) of the Bankruptcy Code shall be modified pursuant to this Final Order as necessary for the relevant parties to effectuate all of the terms and provisions of this Final Order. The automatic stay provisions of section 362 of the Bankruptcy Code or otherwise are vacated and modified to the extent necessary to permit the Prepetition Lender to exercise, subject to the terms hereof, all rights and remedies under this Final Order.

34. Cash Management Collections and Remittances. Any material changes from the Debtors' cash management system, as authorized by the Court [Docket No. 188], must be acceptable to the Prepetition Lender in the Prepetition Lender's sole discretion.

35. Necessary Action. The Debtors are authorized to take any and all such actions and to make, execute, and deliver any and all instruments as may be reasonably necessary to implement the terms and conditions of this Final Order and the transactions contemplated hereby.

36. Right to Seek Additional Adequate Protection. This Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the rights of the Prepetition Lender to request additional forms of adequate protection at any time, subject to any party in interest's right to object thereto. Nothing herein shall be deemed a finding by the Court or an acknowledgment by the Prepetition Lender that the Adequate Protection Obligations granted herein do in fact adequately protect the Prepetition Lender against any Diminution in Value.

37. Effectiveness. This Final Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9024, or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Final Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Final Order.

38. Final Order Governs. In the event of any inconsistency or conflict between the express terms or provisions of the Prepetition Loan Documents and this Final Order, the provisions of this Final Order shall govern.

39. Bankruptcy Rules. The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the Motion.

40. Retention of Jurisdiction. The Court shall retain jurisdiction to resolve any and all disputes arising under or related to the Interim Order and/or the provisions of this Final Order, and to enforce all of the conditions of the Interim Order and this Final Order.

Dated: February 10th, 2026
Wilmington, Delaware

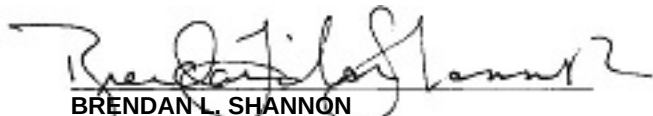

BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

13-Week Cashflow

Lugano Diamonds and Jewelry Inc.
Tier 2 Budget - Assumes Consensual Plan

Week:	13	14	15	16	17	18	19	20	21	22	23	24	25	26	Total
Reporting Basis:	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Week Ending:	6-Feb	13-Feb	20-Feb	27-Feb	6-Mar	13-Mar	20-Mar	27-Mar	3-Apr	10-Apr	17-Apr	24-Apr	1-May	8-May	
Sale Proceeds from Gordon Brothers ⁽¹⁾	\$ 7,153,672	\$ -	\$ -	\$ -	\$ 9,364,154	\$ -	\$ -	\$ -	\$ 12,007,231	\$ -	\$ -	\$ -	\$ -	\$ 787,071	\$ 29,312,128
Pre-Petition A/R Balance Collections ⁽²⁾	250,000	250,000	250,000	250,000	66,935	66,935	66,935	66,935	66,935	66,935	66,935	66,935	66,935	66,935	1,669,353
Other Cash Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	\$ 7,403,672	\$ 250,000	\$ 250,000	\$ 250,000	\$ 9,431,089	\$ 66,935	\$ 66,935	\$ 66,935	\$ 12,074,167	\$ 66,935	\$ 66,935	\$ 66,935	\$ 66,935	\$ 854,006	\$ 30,981,481
Payroll & Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retention / Severance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Vendor Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ordinary Course Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Cash Flow	\$ 7,403,672	\$ 250,000	\$ 250,000	\$ 250,000	\$ 9,431,089	\$ 66,935	\$ 66,935	\$ 66,935	\$ 12,074,167	\$ 66,935	\$ 66,935	\$ 66,935	\$ 66,935	\$ 854,006	\$ 30,981,481
Non-Operating Expenses:															
Bankruptcy/Professional Fees ⁽³⁾	(523,265)	(499,265)	(499,265)	(499,265)	(434,265)	(434,265)	(434,265)	(434,265)	(434,265)	(434,265)	(434,265)	(434,265)	(434,265)	(419,265)	(6,348,705)
UST Quarterly Fees	(77,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(127,000)
Crisis Management PR Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses ⁽⁵⁾	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(140,000)
Total Non-Operating Disbursements	(610,265)	(509,265)	(509,265)	(509,265)	(444,265)	(444,265)	(444,265)	(444,265)	(444,265)	(444,265)	(444,265)	(444,265)	(444,265)	(429,265)	(6,615,705)
Net Cash Flow	\$ 6,793,407	\$ (259,265)	\$ (259,265)	\$ (259,265)	\$ 8,986,824	\$ (377,329)	\$ (377,329)	\$ (377,329)	\$ 11,629,902	\$ (377,329)	\$ (377,329)	\$ (377,329)	\$ (427,329)	\$ 424,741	\$ 24,365,776
Beginning Cash Balance	\$ -	\$ 6,793,407	\$ 6,534,143	\$ 6,274,878	\$ 6,015,614	\$ 15,002,438	\$ 14,625,109	\$ 14,247,779	\$ 13,870,450	\$ 25,500,352	\$ 25,123,023	\$ 24,745,693	\$ 24,368,364	\$ 23,941,035	\$ -
Net Cash Flow	6,793,407	(259,265)	(259,265)	(259,265)	8,986,824	(377,329)	(377,329)	(377,329)	11,629,902	(377,329)	(377,329)	(377,329)	(427,329)	424,741	24,365,776
Sweep to Gordon Brothers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interim Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance	\$ 6,793,407	\$ 6,534,143	\$ 6,274,878	\$ 6,015,614	\$ 15,002,438	\$ 14,625,109	\$ 14,247,779	\$ 13,870,450	\$ 25,500,352	\$ 25,123,023	\$ 24,745,693	\$ 24,368,364	\$ 23,941,035	\$ 24,365,776	\$ 24,365,776

Notes:

⁽¹⁾ Cash disbursements to LDI based on Gordon Brothers forecasts provided to GlassRatner on 2/3/26 and representations made by Gordon Brothers' professionals.

⁽²⁾ Pre-Petition A/R collections based on a collectable balance of \$1,669,353 as of 1/30/26. According to representations from LDI, \$1.0 million should be collected during February 2026. The remaining balance of \$669,353 is assumed to be collected evenly over the remaining ten weeks.

⁽³⁾ Estimated fees assumes a consensual plan of reorganization process.

⁽⁴⁾ Although not reflected in the Budget, approximately \$3.8 million of available cash remains in Young Conway's escrow account for the payment of Debtor's post-petition professional fees through December 2025, with approximately \$1.8 million for fees incurred after December 2025. See detail on the Professional Fees Schedule.

⁽⁵⁾ Reserve amount for non-operating and/or unanticipated expenses that are not paid by Gordon Brothers.

Lugano Diamonds and Jewelry Inc.
Estimated Professional Fees ⁽¹⁾

(\$ in actuals)																
Week #:	13	14	15	16	17	18	19	20	21	22	23	24	25	26	14-Week Total	Post-Petition Total
Reporting Basis: Week Ending:	6-Feb	13-Feb	20-Feb	27-Feb	6-Mar	13-Mar	20-Mar	27-Mar	3-Apr	10-Apr	17-Apr	24-Apr	1-May	8-May		
Debtor Counsel - KBK ⁽²⁾	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (1,050,000)	\$ (1,858,398)
Local BK Counsel - Young & Conway ⁽³⁾	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(560,000)	(1,359,729)
Litigation Counsel - Shoemaker/Brown Neri ⁽⁴⁾	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(420,000)	(436,898)
Special Committee Fees	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(210,000)	(210,000)
Special Committee Counsel - Barnes & Thornburg ⁽⁵⁾	(130,000)	(130,000)	(130,000)	(130,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(50,000)	(1,155,000)	(1,901,823)
GlassRatner - CRO and Forensic Investigations ⁽⁶⁾	(65,000)	(41,000)	(41,000)	(41,000)	(41,000)	(41,000)	(41,000)	(41,000)	(41,000)	(41,000)	(41,000)	(41,000)	(41,000)	(41,000)	(598,000)	(1,030,736)
Claims Agent ⁽⁷⁾	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(266,000)	(424,576)
Pool Counsel	(11,765)	(11,765)	(11,765)	(11,765)	(11,765)	(11,765)	(11,765)	(11,765)	(11,765)	(11,765)	(11,765)	(11,765)	(11,765)	(11,765)	(164,705)	(164,705)
UCC Professionals - Force10 and Pachulski ⁽⁸⁾	(137,500)	(137,500)	(137,500)	(137,500)	(137,500)	(137,500)	(137,500)	(137,500)	(137,500)	(137,500)	(137,500)	(137,500)	(137,500)	(137,500)	(1,925,000)	(3,305,378)
Total Estimated Professional Fees	\$ (523,265)	\$ (499,265)	\$ (499,265)	\$ (499,265)	\$ (434,265)	\$ (434,265)	\$ (434,265)	\$ (434,265)	\$ (434,265)	\$ (434,265)	\$ (434,265)	\$ (434,265)	\$ (434,265)	\$ (419,265)	\$ (6,348,705)	\$ (10,692,242)

Notes:

⁽¹⁾ Although not reflected in the Budget, approximately \$3.8 million of available cash remains in Young Conway's escrow account for the payment of all Debtor's post-petition professional fees through December 2025, with approximately \$1.8 million to fund fees incurred after December 2025.

⁽²⁾ KBK's unpaid professional fees during December 2025 and January 2026 are approximately \$335,000 and \$352,000, respectively.

⁽³⁾ Young & Conway's unpaid professional fees during December 2025 and January 2026 are approximately \$419,000 and \$191,000, respectively.

⁽⁴⁾ Shoemaker's unpaid professional fees during December 2025 are approximately \$17,000.

⁽⁵⁾ Barnes & Thornburg's unpaid professional fees through December 2025 are approximately \$747,000 after agreeing to a 10% discount.

⁽⁶⁾ GlassRatner's unpaid professional fees during December 2025 and January 2026 are approximately \$258,000 and \$175,000, respectively.

⁽⁷⁾ Omni's unpaid professional fees through December 2025 are approximately \$158,600.

⁽⁸⁾ The UCC professionals' fee carve-out includes approximately \$831,000 for December 2025 fees and \$550,000 for January fees. UCC professional fees will be paid out of a separate escrow account held by Young & Conway. Debtor disbursed approximately \$1.4 million to this account on 2/9/26.