



April 4, 2024

**Second Supplement to the Fifth  
Report of KSV Restructuring Inc.  
as CCAA Monitor of  
BioSteel Sports Nutrition Inc.,  
BioSteel Manufacturing LLC, and  
BioSteel Sports Nutrition USA LLC**

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Court File No.: CV-23-00706033-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING  
LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

SECOND SUPPLEMENT TO THE FIFTH REPORT OF KSV  
RESTRUCTURING INC.

April 4, 2024

## 1.0 Introduction

1. This report (the "Second Supplemental Report") supplements the Monitor's fifth report to the Court dated March 11, 2024 (the "Fifth Report") and the Monitor's supplement to the Fifth Report dated March 20, 2024 (the "First Supplemental Report").
2. Unless otherwise stated, capitalized terms used in this Second Supplemental Report have meanings provided to them in the Fifth Report, the Coldhaus Motion Record, or the First Supplemental Report. This Second Supplemental Report is subject to the scope and terms of reference in the Fifth Report.

## 1.1 Purposes of this Report

1. The purposes of the Second Supplemental Report are to:
  - a) summarize the remaining issues left for the Applicants to address in these CCAA proceedings and the proposed approach to resolving these issues;
  - b) set out the Monitor's basis for seeking an Order (the "Stay Extension, Activity and Fee Approval Order"), among other things:
    1. extending the stay of proceedings from April 30, 2024 to July 31, 2024; and
    2. approving of the activities, fees and disbursements of the Monitor, as well as the fees and disbursements of its legal counsel, Bennett Jones LLP ("Bennett Jones"), incurred from the commencement of this CCAA Proceeding to February 29, 2024 and March 31, 2024, respectively and each as described further in the Fee Affidavits (as defined below).

## 2.0 Remaining Issues to Address

1. The Applicants and the Monitor are working to resolve all remaining outstanding issues in these CCAA proceedings, which include (collectively, the “Remaining Issues”):
  - a) **Coldhaus** – In an effort to collect on accounts receivable owing to the Applicants for the benefit of the estate, as described in the Fifth Report, the Coldhaus Motion Record, and the First Supplemental Report, the Monitor is seeking an order from the Court directing Coldhaus to pay the Uncollected Amounts (plus accrued interest), less the Pre-Filing Billbacks and the Outstanding Payment Amounts, which total \$4,085,639. The Monitor’s application seeking the Court’s assistance in resolving the Coldhaus issues is set for April 8, 2024;
  - b) **Allen Distribution** – Pursuant the process described in the Endorsement of Justice Wilton-Siegel issued February 23, 2024, on March 11, 2024, Allen Distribution (“Allen”) provided Bennett Jones with a copy of a notice of motion seeking, among other things, a declaration that Allen has a valid storage lien in the amount of USD \$840,486.84 over certain assets of BioSteel Canada and directing the Monitor to remit payment for the same (the “Allen Motion”). Historically, Allen has performed certain warehousing and logistics services for BioSteel Canada pursuant to master services agreement dated March 8, 2023. At this time, the Monitor, in consultation with the Applicants’ U.S. counsel, is considering the Allen Motion with the intention of engaging with Allen further in the near term. The Allen Motion has not been served on the service list for these CCAA proceedings, and a date has yet to be set for the Allen Motion; and
  - c) **Bankruptcy** – Upon resolving the issues set out above under (a) and (b), and completing all remaining distributions to its secured creditors, the Applicants will be insolvent with no remaining assets. Accordingly, with the Monitor’s assistance, the Applicants intend to make a voluntary assignment under the *Bankruptcy and Insolvency Act* for the purposes of completing a dissolution.

## 3.0 Cash Flow Forecast

1. As the Applicants are no longer conducting active business operations, a further cash flow projection has not been prepared for the stay extension period. The remaining costs in these proceedings (largely professional fees and any remaining distributions authorized under the Distribution and Enhanced Powers Order) are to be funded from the funds in the Applicant’s bank accounts. As of the date of this Second Supplemental Report, the Applicants had approximately CAD\$11.3 million.
2. Accordingly, the Monitor is of the view that the Applicants will have sufficient liquidity until July 31, 2024.

## 4.0 Stay Extension

1. The Stay of Proceedings is currently set to expire on April 30, 2024 (the “Stay Period”). The Applicants are requesting an extension of the Stay Period until and including July 31, 2024 to allow time for the Applicants to advance the Remaining Issues, complete any remaining distributions to the Applicants’ secured creditors, and conduct a wind-down of their remaining business through a bankruptcy, all for the benefit of the Applicants and their stakeholders.
2. The Monitor believes an extension of the Stay of Proceedings is necessary and appropriate in the circumstances for the following reasons:
  - a) the Applicants have been acting, and continue to act, in good faith and with due diligence;
  - b) the Monitor does not believe that any creditor will be prejudiced by the extension being sought, and in fact, the extension is in the best interests of all stakeholders as the likely result of a failure to extend the Stay Period would be an immediate assignment of the Applicants into bankruptcy;
  - c) the proposed extension will allow the Applicants to maintain the *status quo* to give the Applicants the opportunity to resolve the Remaining Issues and complete an orderly wind-down of the business;
  - d) as of the date of this Second Supplemental Report, the Monitor is not aware of any party opposed to the proposed extension aside from Coldhaus; and
  - e) the Monitor is of the view the Applicants will have sufficient liquidity until July 31, 2024.

## 5.0 Activity and Fee Approval

1. As noted above, the Monitor is seeking approval of its activities, fees and disbursements, as well as the fees and disbursements of Bennett Jones. Both the Monitor and Bennett Jones have maintained detailed records of their time and costs since the Monitor’s appointment, and these fees and disbursements have been paid throughout these proceedings pursuant to the Amended and Restated Initial Order granted by this Court on September 21, 2023 (the “**ARIO**”).
2. The activities of the Monitor have been described in the Monitor’s: Pre-Filing Report dated September 14, 2023; First Report dated September 19, 2023; Second Report dated November 14, 2023; Third Report dated December 12, 2023; Fourth Report dated February 17, 2024; Fifth Report; First Supplemental Report; and this Second Supplemental Report (together, the “Reports”). Copies of the Reports, without appendices, are attached hereto as Appendix “A”.
3. The total fees (excluding disbursements and HST) of the Monitor from the commencement of this CCAA proceeding to February 29, 2024 amount to \$901,229.75. The time spent and disbursements incurred by the Monitor in these proceedings are more particularly described in the detailed invoices appended to the fee affidavit of Noah Goldstein (the “Goldstein Affidavit”) attached hereto as Appendix “B”.

4. The total fees (excluding disbursements and HST) of Bennett Jones from the commencement of this CCAA proceeding to March 31, 2024 amount to \$795,762.50. The time spent and disbursements incurred by Bennett Jones in these proceedings are more particularly described in the detailed invoices appended to the fee affidavit of Sean Zweig (the "Zweig Affidavit", and together with the Goldstein Affidavit, the "Fee Affidavits") attached hereto as Appendix "C".
5. Certain descriptions in the invoices to the Fee Affidavits have been redacted for privileged or confidential information.
6. The average hourly rates for the Monitor and Bennett Jones for the referenced billing periods were \$547 and \$813.41, respectively.
7. The Monitor is of the view that: (i) the hourly rates charged by Bennett Jones are consistent with the rates charged by large corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market; (ii) that Bennett Jones' billings reflect work performed consistent with the Monitor's instructions; and (iii) that the overall fees charged by Bennett Jones and the Monitor are reasonable and appropriate in the circumstances and were incurred validly in accordance with the provisions of the ARIO.

## 6.0 Distributions

1. Pursuant to the Distribution and Enhanced Powers Order issued by this Honourable Court on December 14, 2023, the Monitor is authorized to direct the Applicants to make distributions to Canopy and the Administrative Agent. To date, the Monitor has directed the Applicants to complete two distributions, including: (i) approximately USD\$14,148,280 to the Administrative Agent on December 26, 2023 and (ii) approximately \$25,000,000 to Canopy on March 28, 2024.
2. The resolution of the Uncollected Amounts will all the Monitor to authorize further distributions for the benefit of Canopy, which is still owed more than \$341 million, excluding interest and costs.

## 7.0 Conclusion

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the Stay Extension, Activity and Fee Approval Order.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
IN ITS CAPACITY AS MONITOR OF  
BIOSTEEL SPORTS NUTRITION INC.,  
BIOSTEEL MANUFACTURING LLC,  
AND BIOSTEEL SPORTS NUTRITION USA LLC  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**



**Pre-Filing Report of  
KSV Restructuring Inc.  
as Proposed CCAA Monitor of  
BioSteel Sports Nutrition Inc.**

**September 14, 2023**



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COURT FILE NO.: ●

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC.**

**PRE-FILING REPORT OF KSV RESTRUCTURING INC.  
AS PROPOSED MONITOR**

**September 14, 2023**

## **1.0 Introduction**

1. KSV Restructuring Inc. ("KSV") understands that BioSteel Sports Nutrition Inc. ("BioSteel Canada" or the "Applicant") intends to make an application to the Ontario Superior Court of Justice (Commercial List) (the "Court") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an initial order (the "Initial Order"), among other things, granting BioSteel Canada relief under the CCAA, and appointing KSV as monitor in these proceedings (in such capacity, the "Monitor").
2. BioSteel Canada, operating on an integrated basis with BioSteel Sports Nutrition USA LLC ("BioSteel US") and BioSteel Manufacturing LLC ("BioSteel Manufacturing"), both of which are not applicants in these proceedings, is a sports nutrition and hydration company focused on high-quality ingredients with a strong presence in the professional sports market. BioSteel Manufacturing and BioSteel US are jointly referred to as the "Non-Applicant Stay Parties" and, together with BioSteel Canada, "BioSteel". As described below, while the Non-Applicant Stay Parties are not applicants in these proceedings, it is requested that certain limited protections be extended to them.
3. The principal purpose of these CCAA proceedings is to create a stabilized environment to enable BioSteel Canada to temporarily hibernate its business while undertaking a court-supervised sale and investment solicitation process (the "SISP") for BioSteel's assets and business with the view of identifying and completing a sale transaction. No relief is being sought at the initial application in respect of the SISP.
4. If the Initial Order is granted, BioSteel Canada intends to return to Court within ten days (the "Comeback Motion") seeking approval of an Amended and Restated Initial Order and SISP Approval Order (each as defined and discussed below).

5. The Affidavit of Sarah S. Eskandari, General Counsel of the Applicant, sworn September 13, 2023 in support of the CCAA application (the “Eskandari Affidavit”), provides, among other things, background information concerning BioSteel and its business, as well as the reasons for the commencement of these CCAA proceedings.<sup>1</sup>
6. If the Court grants the relief set out in the proposed Initial Order, the Court materials filed in these proceedings will be made available by KSV on its case website at [www.ksvadvisory.com/experience/case/biosteel](http://www.ksvadvisory.com/experience/case/biosteel) (the “Case Website”).
7. KSV is filing this report (the “Pre-Filing Report”) as proposed Monitor. If the Initial Order is granted, the Monitor will file a subsequent report in respect of the relief to be sought by the Applicant at the Comeback Motion, which report will also detail any matters that have arisen since the date of this Pre-Filing Report.

### **1.1 Purposes of this Pre-Filing Report**

1. The purposes of this Pre-Filing Report are to:
  - a) provide KSV’s qualifications to act as Monitor;
  - b) provide certain background information about BioSteel Canada and its financial position;
  - c) report on the Applicant’s cash flow projection (the “Cash Flow Forecast”) for the Initial Forecast Period (as defined below);
  - d) discuss the rationale for the following aspects of the Initial Order:
    - i. a charge in the amount of US\$750,000 (the “Administration Charge”) on all of the Applicant’s current and future assets, property and undertaking (collectively, the “Property”) to secure the fees and disbursements of the Applicant’s legal counsel, the fees and disbursements of legal counsel to the Special Committee (as defined below), the fees and disbursements of the Monitor and its independent legal counsel, Bennett Jones LLP (“Bennett Jones”) and the monthly fees of the Financial Advisor (as defined below);
    - ii. a charge in the amount of US\$1,279,000 (the “Directors’ Charge” and together with the Administration Charge, the “Charges”) on the Property in favour of the Directors and Officers (as defined below);
    - iii. the proposed priority of the Charges in the Initial Order;
    - iv. a provision authorizing BioSteel Canada to pay certain pre-filing obligations to essential suppliers of BioSteel, subject to first obtaining the Monitor’s consent;

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<sup>1</sup> Ms. Eskandari also serves as General Counsel for the Non-Applicant Stay Parties.

- v. extending the benefit of the stay of proceedings to the Non-Applicant Stay Parties and their respective Directors and Officers; and
  - vi. a provision authorizing BioSteel Canada to act as the foreign representative in respect of these CCAA proceedings for the purpose of having orders issued in these CCAA proceedings from time to time recognized and approved in a jurisdiction outside of Canada, and authorizing BioSteel Canada to apply for foreign recognition and approval of these CCAA proceedings, as necessary, in any jurisdiction outside of Canada, including the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”); and
- e) provide the proposed Monitor's recommendation regarding the relief sought by BioSteel Canada in its CCAA application materials.

## **1.2 Scope and Terms of Reference**

1. In preparing this Pre-Filing Report, KSV has relied upon the Applicant's unaudited financial information, books and records, information available in the public domain and discussions with the Applicant's management and legal counsel.
2. KSV has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Pre-Filing Report in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information set out herein should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Pre-Filing Report is based upon the Applicant's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

## **1.3 Currency**

1. Unless otherwise noted, all currency references in this Pre-Filing Report are in Canadian dollars.

## **1.4 KSV's Qualifications to Act as Monitor**

1. KSV is a licensed trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”). KSV is not subject to any of the restrictions to act as monitor set out in Section 11.7(2) of the CCAA.
2. KSV has consented to act as monitor in these proceedings should the Initial Order be granted. A copy of KSV's consent to act as Monitor is attached hereto as Appendix “A”.

3. KSV has experience acting as CCAA monitor and other court-officer capacities in insolvency proceedings. KSV Advisory Inc. (“KSV Advisory”), an affiliate of KSV, was engaged by the Applicant on August 5, 2023 to assist with financial analysis and other strategic initiatives. During its engagement, KSV Advisory obtained an understanding of the Applicant’s business. This knowledge will assist KSV to fulfill its duties as Monitor if the Initial Order is granted.
4. Neither KSV nor any of its representatives or affiliates has at any time in the past two years been: (a) a director, officer or employee of the Applicant; (b) related to the Applicant, or to any director or officer of the Applicant; or (c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of the Applicant.

## **2.0 Background**

### **2.1 Corporate**

1. The Eskandari Affidavit provides detailed background information with respect to BioSteel's business and operations. Accordingly, that information is only summarized in this Pre-Filing Report.
2. BioSteel Canada, formerly BioSteel Sports Supplements Inc., was incorporated in Ontario on August 26, 2009 under the *Ontario Business Corporations Act*, and later continued under the *Canada Business Corporations Act*. The Applicant is extra provincially registered in Alberta, the Northwest Territories and Ontario, and is also registered as a foreign profit corporation in the state of New Jersey.
3. BioSteel US and BioSteel Manufacturing operate with BioSteel Canada on an integrated basis to manufacture, market and distribute the BioSteel Products (as defined below). While the Non-Applicant Stay Parties are not subsidiaries of BioSteel Canada, they are significantly intertwined in BioSteel Canada's business. The Non-Applicant Stay Parties were created to support the expansion of BioSteel in the North American market. A copy of the group's simplified organizational chart is attached hereto as Appendix "B".
4. BioSteel US provides sales and marketing services to BioSteel Canada in the United States and is incorporated in Delaware. BioSteel Manufacturing serves as the production and manufacturing operation of certain of BioSteel Canada's RTDs (defined below). The company was incorporated in Delaware on October 8, 2019 and operates BioSteel's manufacturing operations located at a production facility in Verona, Virginia (the “Verona Facility”).

### **2.2 Acquisition by Canopy**

1. In October 2019, the then-shareholders of BioSteel Canada and Canopy Growth Corporation (“Canopy”) entered into a share purchase agreement (the “SPA”) pursuant to which Canopy agreed to acquire approximately 72% of the issued and outstanding shares of BioSteel Canada. Subsequent to the completion of the SPA transaction, Canopy completed an incremental equity investment in the Applicant increasing its ownership percentage to 76.7%.

2. In connection with the SPA, Canopy, BioSteel Canada and the now minority shareholders of BioSteel Canada entered into a unanimous shareholders agreement to establish and govern their rights, obligations and relationship in connection with the equity interests of BioSteel Canada.
3. In October 2022, following certain other incremental equity purchases, Canopy exercised its option to purchase one-half of the minority shareholders' remaining shares in BioSteel Canada and all of the shares held by certain optionholders that were acquired pursuant to the exercise of stock options. As of December 2022, Canopy owns approximately 90.4% of the outstanding voting common shares of BioSteel Canada.

### **2.3 Business of the Applicant**

1. BioSteel is a sports nutrition and hydration company in the business of manufacturing and selling ready to drink sports drinks (“RTDs”), hydration mixes and supplements with high quality ingredients for sale at retailers across Canada, the United States and online. The primary distribution channels include, among others, food retailers, convenience stores, gas stations and online platforms, including through its own website. BioSteel also has a strong presence in the professional sports market.
2. BioSteel’s products (collectively, the “BioSteel Products”) include:
  - a) RTDs – These products are bottled natural, sugar free, sports drinks, with more nutrients than other drinks offered on the market. The RTDs are packaged in eco-friendly Tetra Pak Prisma Aseptic cartons.
  - b) Hydration Mix - The powdered Hydration Mix is a market alternative to RTDs and is intended to be mixed with water before consumption. RTD and Hydration Mix come in numerous staple and limited-time flavours.
  - c) Other - BioSteel also sells numerous supplement products, including specialty nutrition and protein powders, as well as BioSteel-branded merchandise.
3. In addition to its significant investments in rights to “rinkside” advertisements, use of proprietary logos and social media participation, the Applicant also has agreements with professional sports teams such as the Toronto Blue Jays, athletic organizations such as the National Hockey League (the “NHL”), and endorsement arrangements with numerous individual professional athletes. These endorsement and sponsorship parties provide market exposure and awareness of Biosteel's products on sponsored social media accounts, marketing campaigns, in-game and in-arena branding during sports games, and the rights for certain of Biosteel's trademarks to appear in advertising campaigns and video games.
4. Biosteel's most notable and significant sponsorship agreement is with the NHL and the National Hockey League Players Association (the “NHLPA”). Both BioSteel Canada and BioSteel US have signed the sponsorship agreement with the NHL and NHLPA, as well as certain related agreements for the services of specific NHL players.

5. Between October 1, 2023 and March 31, 2024, the upcoming payments scheduled to come due under the various endorsement and sponsorship agreements is approximately \$12 million. The Applicant does not intend to use the services of these counterparties following the commencement of these CCAA proceedings and, as a result, does not intend to make any of these upcoming payments.

## 2.4 Employees

1. Prior to the Termination Event (as discussed and defined below), approximately 190 individuals worked at BioSteel (collectively, the “BioSteel Employees”). As of the date of this Pre-Filing Report, approximately 90 of the BioSteel Employees were providing services at the Verona Facility with the remaining BioSteel Employees working in sales, marketing or other corporate capacities.
2. All of the BioSteel Employees are employed by Canopy or Canopy Growth USA, LLC (“Canopy US”). As a result, Canopy or Canopy US, as applicable, is responsible for the remuneration of the BioSteel Employees as well as administering the relevant source deductions. Prior to the Termination Event, the aggregate monthly payroll for the BioSteel Employees was approximately \$1.7 million.
3. Pursuant to their respective Master Services Agreements, employee pay incurred by Canopy or Canopy US for the BioSteel Employees is passed down to the Applicant as an intercompany payable. Due to the Applicant’s liquidity issues, the obligations payable to Canopy or Canopy US for employee related costs have not been paid since March 2023. KSV understands that Canopy has continued to pay the employees and remit source deductions notwithstanding BioSteel Canada's failure to pay the charges when due.
4. The BioSteel Employees are not unionized and the Applicant does not maintain any registered pension plans.
5. Historically, the only person employed by BioSteel was BioSteel Canada's Co-founder. However, on August 18, 2023 the co-founder resigned all positions at the company, including as a director or officer, and the company waived any obligation for them to continue working as of that date.
6. The proposed Monitor understands that on September 14, 2023, Canopy and Canopy Growth US will be terminating (the “Termination Event”) 69 BioSteel Employees (the “Terminated Employees”). The proposed Monitor further understands that Canopy and Canopy Growth US have agreed to retain a limited number of BioSteel Employees to assist with certain necessary continuing services during the pendency of these proceedings (the “Retained Employees”).



## 2.5 Financial Performance

1. Despite the growth of its business, the Applicant's financial challenges have persisted. As a result, the Applicant incurred total losses of approximately \$191.1 million in its most recent fiscal year ending March 31, 2023, as summarized below:

<b>52 weeks ended (\$000s)</b>	<b>March 31, 2023</b>
Sales	24,274
Cost of sales	90,784
Gross profit	(66,509)
Gross profit %	(274%)
Ordinary expenses	114,044
Other expenses	10,553
<b>Net loss</b>	<b>(191,106)</b>

2. As discussed in greater detail in the Eskandari Affidavit, the Applicant continued to incur significant ongoing financial losses as it attempted to expand its market share within North America. The resulting liquidity crisis has been compounded by BioSteel's high production costs, which have historically resulted in negative gross margins on its RTD and Hydration Mix products.
3. A growing number of trade creditors and product endorsement partners are now placing the Applicant on credit hold and/or are demanding immediate payment of past-due obligations and/or threatening to terminate or sending termination notices for certain agreements. The Applicant does not have the liquidity available under its demand loan facilities to fund the arrears payments owing to these creditors and/or contract counterparties.
4. In addition, Canopy is no longer willing to fund BioSteel's operating costs and, absent filing for CCAA protection and support from Canopy, the Applicant will not have the liquidity required to fund its immediate operational needs.

## 2.6 Formation of the Special Committee

1. Canopy and BioSteel, in late 2022, undertook a broad marketing process to seek an additional investment in or the sale of BioSteel. The proposed Monitor understands that the process returned no bids for a going concern sale.
2. In the summer of 2023, a special committee of the Applicant's board was formed (the "Special Committee") to explore certain strategic alternatives for the Applicant, including a renewed focus on sale efforts. The Special Committee engaged the Financial Advisor to assist in develop a process to gauge and solicit interest in BioSteel. This process yielded interest, however, all indications of interest submitted were highly conditional with no corresponding offer to fund the BioSteel business during the diligence period.
3. In light of the foregoing, the proposed Monitor understands that the Special Committee has determined that seeking the benefit of Court protection will provide the best opportunity to maximize the value of BioSteel for all stakeholders.



## 2.7 Financial Position

1. The Applicant's unaudited, internal balance sheet as at the most recent fiscal year end of March 31, 2023 is provided below.

Description	Book Value (\$000s)
Cash	6,104
Accounts receivable	26,686
Inventory	63,778
Prepaid expenses and deposits	15,669
Property, plant and equipment	735
Other assets	124
<b>Total Assets</b>	<b>113,096</b>
Accounts payable	30,926
Accrued liabilities	29,173
Sales tax payable	417
Intercompany interest and trade payables	6,293
Due to Canopy	313,830
Lease liability	168
Other long-term liabilities	208
<b>Total Liabilities</b>	<b>381,015</b>
<b>Equity</b>	<b>(267,918)</b>
<b>Total Liabilities &amp; Equity</b>	<b>113,096</b>

2. The following is a brief description of certain material line items on the Applicant's balance sheet:
  - a) Accounts receivable – Reflects amounts owed by third party customers located in North America. As at August 31, 2023, the Applicant had accounts receivable of approximately \$25.7 million, of which approximately \$22.7 million was aged less than 60 days.
  - b) Inventory – Inventory is primarily comprised of unprocessed raw materials used at the Verona Facility and finished inventory held at various warehousing and storage facilities pending its sale and distribution. As at August 31, 2023 inventory was approximately \$63.8 million.
  - c) Accounts payable – mainly consist of trade payables owing to suppliers. This amount has increased to approximately \$40.4 million as of September 11, 2023.
  - d) Due to Canopy – Reflects the balance of the demand loan facilities owed to Canopy. These facilities provided operating capital historically used to fund payroll (through the Master Service Agreement arrangements), manufacturing costs under the CMO agreements, sponsorship and endorsement payments, and other operations as BioSteel worked to expand within the North American market. This amount has increased to approximately \$366 million, before interest, as of September 11, 2023.

## 2.8 Secured Creditors

### BioSteel Loan Agreement

1. The Applicant is funded primarily through a secured demand loan and credit facility (the “Secured Loan Facility”) with Canopy and 11065220 Canada Inc (“11065220”) as co-lender (together, the “Lenders”) pursuant to a loan agreement (as amended from time to time, the “BioSteel Loan Agreement”).
2. Pursuant to the terms of the BioSteel Loan Agreement, the Lenders established the Secured Loan Facility in favour of BioSteel Canada. The Secured Loan Facility is comprised of various revolving and non-revolving tranches which totaled a consolidated maximum credit of approximately \$389.5 million. The Applicant currently owes Canopy the principal amount of \$69,729,929.65, plus accrued and unpaid interest as at July 31, 2023 of \$5,122,161.77 and owes 11065220 the principal amount of US\$218,452,976.56, plus accrued and unpaid interest as at July 31, 2023 of US\$16,336,604.82.
3. The BioSteel Loan Agreement and the underlying indebtedness is secured by a tenth amended and restated general security agreement dated as of July 13, 2023 by and between the Lenders and BioSteel Canada (the “Security Agreement”). Pursuant to the Security Agreement, BioSteel Canada granted the Lenders a security interest in all right, title and interest in and to all of its real and personal or after acquired property.
4. Bennett Jones has reviewed the Lenders’ security in respect of the Secured Loan Facility and determined that, subject to customary assumptions and qualifications, the security creates a validly perfected security interest in favour of the Lenders in all right, title and interest in and to all of its real and personal or after acquired property of BioSteel Canada in Ontario. If appointed Monitor, KSV will obtain security opinions under the laws of any other applicable provinces as necessary and update the Court accordingly.
5. The Applicant has advised that it has no amounts owing to other secured or priority creditors. The only other registration that the proposed Monitor has been made aware of is a personal property security registration in favour of the Royal Bank of Canada in connection with a cash collateral account.
6. Given the significant amounts owing by BioSteel Canada to the Lenders and their first-ranking security over all of BioSteel Canada assets, the Lenders appear to be the only creditors with an economic interest in the Applicant.

## 3.0 Cash Flow Forecast

1. The Applicant has prepared a Cash Flow Forecast for the 10-day initial stay period (the “Initial Forecast Period”). The Cash Flow Forecast and the Applicant’s statutory report thereon pursuant to Section 10(2)(b) of the CCAA are attached hereto as Appendix “C”.
2. As of the filing date, the Applicant had a cash balance of approximately \$16.2 million.
3. The Cash Flow Forecast demonstrates that, subject to obtaining the relief sought as part of the originating application for the Initial Order, the Applicant is projected to have sufficient liquidity to fund its obligations until the Comeback Motion.

4. Based on KSV's review of the Cash Flow Forecast, the cash flow assumptions appear reasonable. The proposed Monitor's report on the Cash Flow Forecast is attached as Appendix "D".
5. The Applicant will file an updated cash flow forecast for an extended period prior to the Comeback Motion.

## **4.0 Court Ordered Charges**

### **4.1 Administration Charge**

1. The Applicant is seeking Court approval of an Administration Charge in an initial amount not to exceed US\$750,000 to secure the fees and expenses of the Monitor, its legal counsel, the Applicant's legal counsel, the Special Committee's legal counsel and the monthly fees payable to the Financial Advisor. Significant fees and costs have been incurred by these firms to-date in preparing for these CCAA proceedings and fees will continue to be incurred prior to the Comeback Motion.
2. The Administration Charge is a customary provision in an initial order in a CCAA proceeding; it is required to provide security to the professionals engaged to assist a debtor company and to protect them if the debtor is unable to pay professional fees and costs during the CCAA process.
3. The Applicant has worked with its legal counsel and KSV to estimate the proposed quantum of the Administration Charge.
4. KSV believes that the Administration Charge is reasonable and appropriate in the circumstances given the complexities of the Applicant's proceedings. The professionals require the benefit of the Administration Charge to protect them for their pre-filing fees related to preparing for these proceedings, as well as for their fees and costs that will be incurred during these proceedings. Without such protection, the professionals are unlikely to be prepared to continue to provide services in these proceedings.
5. At the Comeback Motion, KSV understands that the Applicant intends to apply for an increase in the maximum amount of the Administration Charge.

### **4.2 Directors' Charge**

1. The Applicant is seeking Court approval of a Directors' Charge in an initial amount not to exceed US\$1,279,000. The amount of the Directors' Charge was estimated by the Applicant in consultation with the proposed Monitor, taking into consideration the potential exposure of the directors and officers for sales taxes (GST/PST/HST), vacation pay, employee wages, environmental liabilities and source deductions until the Comeback Motion.

2. KSV understands that the Applicant is current on their normal course GST/PST/HST and payroll obligations (including employee withholding taxes), however the Applicant is generally in a payable position on sales taxes and is expected to be so for the beginning of these proceedings. Accordingly, the amount of the Directors' Charge represents the sum of:
  - a) the provisional balance of sales taxes as at the date of the Initial Order (US\$157,000);
  - b) termination amounts potentially payable in certain provinces and states where liability may exist for the Terminated Employees and the Retained Employees (US\$403,000);
  - c) one payroll cycle for the Retained Employees (inclusive of source deductions) (US\$263,000);
  - d) the estimated amount of the Applicant's vacation pay owing to employees (US\$300,000); and
  - e) a provisional amount for any future occurring environmental obligations at the Verona Facility (US\$156,000).
3. The proposed Directors' Charge is being sought as security for the directors and officers of BioSteel (other than a director or officer who is or was at any point a shareholder or optionholder of the Applicant) (collectively, the "Directors and Officers") in connection with any obligations or liabilities that they incur as a director or officer of BioSteel after the commencement of these CCAA proceedings. While the BioSteel Employees are ultimately employed by Canopy and Canopy US, and therefore are the ultimate responsibility of those entities as the proposed Monitor understands, the Directors' Charge is necessary in the event that a party alleges that the obligations are a *de facto* obligations for BioSteel.
4. As outlined in the Eskandari Affidavit, the Applicant, through Canopy, maintains director's and officer's liability insurance up to an aggregate of US\$20 million. However, this coverage is subject to certain deductibles, exclusions and carve outs which create a degree of uncertainty. Accordingly, KSV believes the Directors' Charge is reasonable given that the expertise offered by the Directors and Officers of the Applicant is critical to the overall success of these proceedings. The Directors and Officers are not prepared to be personally liable for BioSteel's obligations, and accordingly, without the benefit of the Directors' Charge, the continued cooperation of the Directors and Officers would be at risk, which would impair the Applicant's ability to operate and participate in the SISF during these proceedings.
5. It is notable that the proposed Directors' Charge seeks to secure any obligations or liabilities that the directors and officer of the Non-Applicant Stay Parties incur as a director or officer of their respective entity after the commencement of these CCAA proceedings. The proposed Monitor understands the Lenders, who are the only party that could be prejudiced by this relief, are agreeable given in large part due to the integrated nature of BioSteel's business.

6. KSV understands that at the Comeback Motion, the Applicant intends to apply for an increase of the Directors' Charge up to their estimated maximum total exposure at any point in time in these proceedings.

#### **4.3 Priority of Charges**

1. Each of the Charges is proposed to rank in priority to all other encumbrances against the Property, other than any person who has not been served with notice of the application for the Initial Order. At the Comeback Motion, the Applicant intends to seek to have the Charges rank in priority to the encumbrances described above.
2. The Applicant proposes that the Charges have the following priority (amounts presented below are those proposed to be granted in the Initial Order – any increases to the amounts covered by the Charges will be addressed at the Comeback Motion):
  - a) first, the Administration Charge (US\$750,000); and
  - b) second, the Directors' Charge (US\$1,279,000).
3. The Monitor is of the view that the priority of the Charges is appropriate and in the interest of facilitating these proceedings.

#### **5.0 Proposed Payment of Critical Vendor Obligations**

1. On its application for the Initial Order, the Applicant is seeking a provision permitting it to make payments to certain critical vendors integral to the operation of the business in respect of obligations arising prior to the commencement of its CCAA proceedings. The Applicant is also seeking authorization to pay certain amounts for goods and services of the Non-Applicant Stay Parties as a result of the integrated nature of the BioSteel business.
2. The Applicant seeks authorization to pay these obligations subject to the consent of the Monitor, with the Monitor considering, among other factors, whether:
  - a) the supplier or service provider is considered critical to the business and whether the payment is required to ensure ongoing supply;
  - b) the proposed payment is expected to preserve, protect or enhance the value of the Applicant's property or business; and
  - c) the applicable supplier or service provider is otherwise required to continue to provide goods or services to the Applicant after the date of the Initial Order pursuant to the terms of the proposed Initial Order.
3. The proposed Monitor is familiar with provisions of orders under the CCAA permitting the debtor company to pay specific pre-filing obligations, where appropriate. In certain circumstances, such payments are required or appropriate to preserve the value of a debtor's business for the benefit of stakeholders.

4. KSV is supportive of the Applicant's request for the inclusion of a provision authorizing it to pay certain pre-filing obligations owing to critical vendors, including of the Non-Applicant Stay Parties. KSV will review each proposed payment in accordance with the foregoing criteria prior to providing (or not providing) the Monitor's required consent, with a view to ensuring that payments to suppliers/contractors in respect of pre-filing obligations are limited to those reasonably necessary in the circumstances.
5. The Applicant is also seeking authority to pay post-filing expenses of the Non-Applicant Stay Parties with the consent of the Monitor. The proposed Monitor supports that relief on the same basis as the pre-filing amounts.

## **6.0 Non-Applicant Stay of Proceedings**

1. The proposed Initial Order contemplates that the Non-Applicant Stay Parties and their Directors and Officers be granted the benefits and protection of the stay of proceedings despite not being applicants in these CCAA proceedings.
2. Given the integrated nature of their operations, the insolvency of the Applicant puts the Non-Applicant Stay Parties in a highly vulnerable position. It would be detrimental to BioSteel Canada's ability to successfully restructure if proceedings were commenced or actions taken against any of the Non-Applicant Stay Parties.
3. A stay of proceedings for the Non-Applicant Stay Parties will help maintain the status quo in order to afford BioSteel Canada the best chance to maximize value for all stakeholders.
4. KSV understands that Biosteel operates as an integrated and intertwined North American business. As a result, the proposed stay in favour of the Non-Applicant Stay Parties is in the best interests of the Applicant and its stakeholders as it will permit the coordinated and orderly transition through these proceedings. If enforcement steps are taken against the Non-Applicant Stay Parties, it is expected to materially erode value and negatively impact the SISP to be sought at the Comeback Motion.
5. Accordingly, KSV believes that the relief sought in this regard is reasonable and in the best interests of the Applicant and its stakeholders.

## **7.0 Chapter 15 Proceedings**

1. The Applicant seeks authorization under the proposed Initial Order to apply for foreign recognition and approval of the orders issued in these CCAA proceedings in the United States pursuant to the chapter 15 of title 11 of the United States Code (the "Chapter 15 Proceedings"). If granted, the Initial Order will authorize the Applicant to act as the foreign representative for the purpose of the Chapter 15 Proceedings. KSV has reviewed the cross-border nature of the BioSteel operations, including facts set out in the Eskandari Affidavit, and agrees that Canada is the centre of main interest for BioSteel Canada.

## 8.0 Creditor Notification

1. The proposed Initial Order requires the Monitor to:
  - a) publish without delay a notice in the national edition of *National Post* newspaper containing the information prescribed under the CCAA; and
  - b) within five days of the granting of the Initial Order:
    - i. make the Initial Order publicly available in the manner prescribed under the CCAA;
    - ii. send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000 advising that the order is publicly available; and
    - iii. prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
2. If appointed Monitor, KSV will undertake these tasks, and will also post the Initial Order and all motion materials on the Case Website.

## 9.0 Comeback Motion

1. If the Initial Order is granted, the Applicant intends to return to Court within ten days to seek two orders at the Comeback Motion:
  - a) an Order (the “Amended and Restated Initial Order”), among other things: (i) extending the stay of proceedings; (ii) increasing the amount of the Administration Charge and the Directors’ Charge; (iii) approving an engagement letter between the Applicant and its financial advisor, Greenhill & Co. Canada Ltd. (the “Financial Advisor”), and (iv) granting the Financial Advisor a charge to provide certainty that it will be compensated for its services in respect of the SISP; and
  - b) an Order (the “SISP Approval Order”), among other things: (i) approving the SISP; and (ii) authorizing and directing the Applicant, the Financial Advisor and the Monitor to perform their obligations under the SISP.
2. If appointed as Monitor, KSV intends to file a report providing its views on the relief the Applicant is seeking at the Comeback Motion in advance of same.

## 10.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that this Court make the Initial Order granting the Applicant's CCAA application on the terms of the draft Initial Order set out in the Applicant's application record.

\* \* \*

All of which is respectfully submitted,



**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS PROPOSED MONITOR OF  
BIOSTEEL SPORTS NUTRITION INC.  
AND NOT IN ITS PERSONAL CAPACITY**





**First Report of  
KSV Restructuring Inc.  
as CCAA Monitor of  
BioSteel Sports Nutrition Inc.**

September 19, 2023

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Court File No.:CV-23-00706033-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF BIOSTEEL SPORTS NUTRITION INC.

FIRST REPORT OF KSV RESTRUCTURING INC.

SEPTEMBER 19, 2023

## 1.0 Introduction

1. Pursuant to an order (the "Initial Order") issued by the Ontario Superior Court of Justice (Commercial List) (the "Court") on September 14, 2023 (the "Filing Date"), BioSteel Sports Nutrition Inc. (the "Applicant" or "BioSteel Canada") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and KSV Restructuring Inc. was appointed monitor of the Applicant (in such capacity, the "Monitor").
2. Pursuant to the Initial Order, the Court, among other things:
  - a) granted a stay of proceedings (the "Stay of Proceedings") in favour of the Applicant and two of its non-applicant US affiliates, being BioSteel Sports Nutrition USA, LLC and BioSteel Manufacturing LLC (jointly, the "Non-Applicant Stay Parties" and together with the Applicant, "BioSteel") and certain of their respective current and former directors and officers (collectively, the "Directors and Officers") to and including September 24, 2023 (the "Initial Stay Period");
  - b) granted a charge:
    - i. in the amount of US\$750,000 on all of the Applicant's current and future assets, property and undertaking (collectively, the "Property") to secure the fees and disbursements of the Applicant's legal counsel, legal counsel to a special committee of the Applicant's board of directors (the "Special Committee"), the Monitor and its independent legal counsel, Bennett Jones LLP ("Bennett Jones"), and the monthly fees of the Applicant's financial advisor, Greenhill & Co. Canada Ltd. (in such capacity, the "Financial Advisor") (the "Administration Charge"); and
    - ii. up to the maximum amount of US\$1.279 million on the Property in favour of the Directors and Officers (the "Directors' Charge");

- c) authorized BioSteel Canada to pay certain pre-filing obligations to essential suppliers of BioSteel, subject to first obtaining the Monitor's consent; and
  - d) authorized BioSteel Canada to act as the foreign representative in respect of these CCAA proceedings for the purpose of having orders issued in these CCAA proceedings from time to time recognized in any jurisdiction outside of Canada, including the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code").
3. On September 17, 2023, the Applicant commenced proceedings in the United States Bankruptcy Court for the Southern District of Texas (the "US Court") seeking recognition of this CCAA proceeding as a foreign main proceeding under Chapter 15 of title 11 of the Bankruptcy Code. On September 19, 2023, the US Court entered an order granting provisional relief in aid of this CCAA proceeding.
4. The principal purpose of this CCAA proceeding is to create a stabilized environment to enable BioSteel Canada to temporarily hibernate its business while executing a sale and investment solicitation process for BioSteel's assets and business (the "SISP").
5. The comeback hearing is scheduled to be heard on September 21, 2023 (the "Comeback Hearing"). At the Comeback Hearing, the Applicant is seeking the following orders:
  - a) an order, among other things, approving the SISP to be conducted by the Applicant, with the assistance of the Financial Advisor and under the oversight of the Monitor (the "SISP Approval Order"); and
  - b) an Amended and Restated Initial Order (the "ARIO"), among other things:
    - extending the Stay of Proceedings to and including November 17, 2023;
    - approving the retention of the Financial Advisor, *nunc pro tunc*, pursuant to an agreement dated August 24, 2023 between the Applicant and the Financial Advisor (the "Greenhill Engagement Letter") and granting a charge on the Property in favour of the Financial Advisor to the maximum amount of US\$2.5 million to secure the payment of the transaction fee payable under the Greenhill Engagement Letter (the "Transaction Fee Charge" and together with the Administration Charge and the Directors' Charge, collectively, the "Charges");
    - increasing the quantum of the Administration Charge to US\$1 million; and
    - increasing the quantum of the Directors' Charge to US\$2.198 million.

## 1.1 Purposes of this Report

1. The purposes of this report (the "First Report") are to:
  - a) summarize the relief being sought by the Applicant at the Comeback Hearing;

- b) provide the Court with an update on the Monitor's activities since the granting of the Initial Order; and
- c) provide the Monitor's recommendations regarding the relief being sought by the Applicant at the Comeback Hearing.

## 1.2 Restrictions

1. In preparing this First Report, the Monitor has relied upon the Applicant's unaudited financial information, books and records, information available in the public domain and discussions with the Applicant's management, legal counsel and Financial Advisor.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this First Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Applicant's cash flow forecast from September 30, 2023 to November 17, 2023 (the "Cash Flow Forecast")<sup>1</sup> as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this First Report is based upon the Applicant's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

## 1.3 Currency and Definitions

1. Unless otherwise noted, all currency references in this First Report are in Canadian dollars.

## 2.0 Background

1. BioSteel products, including ready-to-drink sports drinks ("RTDs"), hydration mixes and supplements, are available at retailers across Canada, the United States and online.
2. Canopy Growth Corporation ("Canopy") owns 90.4% of the outstanding voting common shares of BioSteel Canada. As of the Filing Date, Canopy and an affiliate, 11065220 Canada Inc. ("110"), have made secured loans of approximately \$366 million, excluding interest and costs, to BioSteel Canada.

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<sup>1</sup> The cash flow forecast attached to the Report to Court of the Proposed Monitor dated September 14, 2023 (the "Pre-Filing Report") is for the period September 13, 2023 to September 29, 2023.

3. The Affidavit of Sarah Eskandari, General Counsel of the Applicant, sworn September 13, 2023 in support of the CCAA application (the “First Eskandari Affidavit”), and the Report to Court of the Proposed Monitor dated September 14, 2023 (the “Pre-Filing Report”) both provide background information with respect to the Applicant’s business and operations, including the reasons for the commencement of these CCAA proceedings. Accordingly, that information is not repeated in this First Report.
4. Court materials filed in these proceedings, including the First Eskandari Affidavit and the Pre-Filing Report, are available on the Monitor’s website at the following link: [www.ksvadvisory.com/experience/case/biosteel](http://www.ksvadvisory.com/experience/case/biosteel) (the “Case Website”).

## **3.0 SISP<sup>2</sup>**

### **3.1 Prior Sale Processes**

1. Prior to these proceedings, the Applicant, with the assistance of two different investment banking advisors, conducted two separate marketing processes.
2. Beginning at the end of 2022, the Applicant retained Goldman Sachs & Co. LLC to conduct a marketing process which contemplated an investment in or a sale of the BioSteel business as a going concern (the “Initial Sale Process”). Despite dialogue with 24 potential buyers, no party submitted a formal offer.
3. At the conclusion of the Initial Sale Process, and with the former management group having advised that it was considering a buy-out offer, the Special Committee engaged the Financial Advisor to conduct a second, refreshed marketing process (the “Refreshed Sale Process”). Under the Refreshed Sale Process, proposals were to be submitted by September 5, 2023, on which date six (6) preliminary non-binding proposals were received, all of which were subject to due diligence and other conditions, and would have required significant time to be completed. Additionally, none of the bids submitted contemplated funding BioSteel during the contemplated diligence periods. Based on the Special Committee’s review, with the assistance of its legal and financial advisors, BioSteel determined that seeking the benefit of Court protection would provide the best opportunity to maximize the value of BioSteel for stakeholders.
4. Although the Initial Sale Process and Refreshed Sale Process did not produce a viable firm bid, the Applicant was successful in generating significant interest in a transaction. The interest these prior sale processes have generated will assist with conducting the Court-supervised SISP described below.

### **3.2 SISP**

1. The purpose of the SISP is to market BioSteel’s business and assets for sale. The SISP will enable the Applicant, with the assistance of the Financial Advisor, and under the oversight of the Monitor, to test the market and pursue the possibility of a transaction that delivers the most value for its stakeholders.
2. Subject to Court approval, the Applicant, with the assistance of the Financial Advisor and under the supervision of the Monitor, will carry out the SISP.

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<sup>2</sup> Capitalized terms in this section have the meaning provided to them in the SISP unless otherwise defined herein.

3. The proposed SISP was developed by the Applicant in consultation with the Financial Advisor, the Applicant’s legal counsel, the Monitor and the Monitor’s legal counsel.
4. The key aspects of the proposed SISP are summarized below; however, interested parties are strongly encouraged to review the full terms of the SISP attached as Schedule “A” to the proposed SISP Approval Order.
5. A summary of the SISP timeline is as follows:

Milestone	Deadline <sup>3</sup>
Court approval of SISP to be sought no later than	September 21, 2023
Latest date for Applicant to commence solicitation process	September 25, 2023
Qualified Bid Deadline	October 16, 2023
Deadline to Select Successful Bid (if any)	October 23, 2023
Approval and Vesting Order hearing <sup>4</sup>	November 3, 2023
Outside Date for Closing of Successful Bid	November 15, 2023

6. Each milestone in the table above can be extended by the Applicant in consultation with the Monitor.

### 3.3 Solicitation of Interest

1. The Applicant and the Financial Advisor, under the oversight of the Monitor, will prepare marketing materials and solicit interest from parties potentially interested in pursuing a transaction (each, a “Potential Bidder”).
2. In particular, the Applicant and the Financial Advisor will, under the oversight of the Monitor:
  - a) prepare and disseminate marketing materials and a process letter to Potential Bidders identified by the Applicant and the Financial Advisor, including a form of non-disclosure agreement (an “NDA”);
  - b) provide Potential Bidders who have executed an NDA in a form acceptable to the Applicant with access to a virtual data room containing diligence information. It will not be necessary for Potential Bidders who have already executed an NDA with the Applicant to execute a further confidentiality agreement under this SISP, provided that such NDA is not expired and/or will not expire during the SISP; and
  - c) advise any parties wishing to submit a binding bid that such binding bid must comply with the requirements for a Qualified Bid (as described below), which includes being submitted by 5:00 p.m. (Eastern Time) on October 16, 2023, being the Qualified Bid Deadline.
3. The Qualified Bid Deadline may be extended by: (i) the Applicant in consultation with the Monitor; or (ii) further order of the Court.

<sup>3</sup> To the extent any dates would fall on a non-business day, they shall be deemed to be the first business day thereafter.

<sup>4</sup> The Court dates are subject to Court availability.

### 3.4 Qualified Bids

1. To be a “Qualified Bid”, a bid must, among other things, meet the following requirements:
  - a) provide the aggregate consideration payable in full on closing (the “Consideration Value”), along with a detailed sources schedule that identifies with specificity the composition of the Consideration Value and any assumed or included liabilities that could alter the Consideration Value;
  - b) the Consideration Value must provide for cash consideration sufficient to pay: (i) any obligations in connection with the Charges and any obligations in priority thereto; and (ii) \$2 million to fund a wind-up of these CCAA proceedings and any further proceedings or wind-up costs;
  - c) provide for a closing date of not later than November 15, 2023, with such date being the “Outside Date”;
  - d) include:
    - i. duly executed and binding definitive transaction documents, including a redline of the submitted transaction document against a template asset purchase agreement that will be made available in the virtual data room;
    - ii. the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s);
    - iii. evidence of authorization and approval from the Qualified Bidders’ board of directors or equityholders, if applicable;
    - iv. disclosure of any connections or agreements with BioSteel or any of their affiliates; and
    - v. such other information reasonably requested by the Applicant or the Monitor;
  - e) include a letter stating that the bid is submitted in good faith, is binding and is irrevocable until closing of the Successful Bid;
  - f) confirm that the bid will serve as the next highest and best Qualified Bid (the “Back-Up Bid”) if it is not selected as the Successful Bid and if selected as the Back-Up Bid, it will remain irrevocable until the earlier of: (i) closing of the Successful Bid; or (ii) closing of the Back-Up Bid;
  - g) provide evidence of the bidder’s ability to finance the transaction prior to the Outside Date and satisfy the obligations under the transaction documents;
  - h) not include any request for a break fee, expense reimbursement or similar type of payment/bid protections;



- i) contain no conditions with respect to:
  - i. approval from the Qualified Bidder's board of directors or equityholders;
  - ii. the outcome of any unperformed due diligence by the bidder; or
  - iii. the Qualified Bidder obtaining financing;
- j) include acknowledgments and representations that the bidder:
  - i. has had an opportunity to conduct its due diligence and relied solely on its independent review;
  - ii. is not relying upon any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Applicant, the Financial Advisor, the Monitor and their respective employees, officers, directors, agents, advisors and other representatives, regarding the proposed transaction(s), this SISP, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents;
  - iii. is making its bid on an "as is, where is" basis;
  - iv. is bound by this SISP and the SISP Approval Order; and
  - v. is subject to the exclusive jurisdiction of the Court with respect to any disputes with the SISP or its bid;
- k) document any regulatory or other third-party approvals, and timing for same, the party anticipates would be required to complete the transaction;
- l) be accompanied by a cash deposit equal to at least 10% of the Consideration Value (the "Deposit"), which Deposit shall be paid to and held by the Monitor in an interest-bearing trust account, to be applied or returned in accordance with the SISP, as the case may be;
- m) include a statement that the bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, without request for reimbursement;
- n) The highest Qualified Bid may not necessarily be accepted by BioSteel Canada. BioSteel Canada, with the written consent of the Monitor and Canopy, reserves the right not to accept any Qualified Bid or to otherwise terminate the SISP; and

- o) In the event that: (a) no Qualified Bid is received by the Qualified Bid Deadline; (b) BioSteel Canada, in consultation with the Monitor, determines that no Qualified Bid should be accepted; (c) definitive agreement(s) with respect to the Successful Bid have not been finalized before the Definitive Agreement Deadline; or (d) the Qualified Bids, in aggregate, do not provide for the timely repayment of the secured loan and credit facility provided to the Applicant by Canopy and 110, in full in cash and Canopy does not consent to any Qualified Bid(s) being selected as the Successful Bid, the SISP shall terminate.

### 3.5 SISP Recommendation

1. The Monitor recommends that this Court issue the SISP Approval Order substantially in the form requested for the following reasons:
  - a) the SISP provides for a marketing of BioSteel's business by the Financial Advisor, which is a highly qualified financial advisory and investment banking firm with extensive experience in the mergers and acquisitions sector and knowledge of BioSteel's business by virtue of having conducted the Refreshed Sale Process;
  - b) the SISP provides an opportunity to complete a transaction that will benefit all stakeholders;
  - c) in the Monitor's view, while expedited, the duration of the SISP is sufficient to allow interested parties to perform the required diligence and submit Qualified Bids. The business of BioSteel was marketed broadly and extensively over the past year through the Initial Sale Process and then again in the Refreshed Sale Process occurring immediately prior to the filing. In addition, the commencement of a SISP was telegraphed to the market in the Applicant's CCAA materials since September 14, 2023, which effectively adds approximately one additional week to the SISP period. In this regard, the Monitor and the Applicant have already received several enquiries from prospective purchasers immediately following the initial application and have forwarded all such enquiries to the Financial Advisor. The Monitor also notes that the duration of the SISP reflects a balance between ensuring that sufficient time is available to attempt to identify a value-maximizing transaction and ensuring that there is cash available to fund these proceedings, noting that no DIP financing facility is contemplated. Further, the Monitor notes that the Qualified Bid Deadline can be extended by the Applicant, in consultation with the Monitor, based on the activity levels generated by the SISP and whether sufficient cash is available;
  - d) Canopy and its affiliate, as the Applicant's fulcrum secured creditors, have advised that they are unwilling to support an extended SISP. Canopy and its affiliate are the only creditors with an economic interest in this proceeding and they continue to pay the cost of BioSteel's remaining employees necessary to maintain the business during the pendency of the SISP;

- e) the number of potential purchasers for BioSteel's business is limited because of its specialized nature, and the vast majority of these potentially interested parties were engaged in the Initial Sale Process and/or the Refreshed Sale Process;
- f) the SISP provides bidders with flexibility in determining which assets would be included and excluded in a transaction; and
- g) as at the date of this First Report, the Monitor is not aware of any objections to the SISP.

## 4.0 Financial Advisor<sup>5</sup>

### 4.1 Greenhill

1. The Applicant is seeking the Court's approval to retain Greenhill as its financial advisor, *nunc pro tunc*, to assist in running the proposed SISP. The Financial Advisor will be responsible for marketing and selling BioSteel's business and assets pursuant to the proposed SISP, if approved. The Monitor will oversee the conduct of the SISP.
2. The Financial Advisor is a globally recognized investment bank and an experienced financial advisor headquartered in New York, although the Greenhill team responsible for the SISP is located in Toronto.
3. The Financial Advisor was initially retained by the Special Committee on behalf of the Applicant in August 2023 to assist with the Refreshed Sale Process. While the Refreshed Sale Process did not result in an unconditional bid, the Financial Advisor has demonstrated an ability to generate interest in BioSteel's business and assets. The Financial Advisor has extensive knowledge of BioSteel's business and assets, which it has gained since the since initiating the Refreshed Sale Process.
4. The Financial Advisor has prepared marketing materials in connection with its proposed mandate and is ready to launch the SISP process immediately, subject to Court approval. The Monitor has scheduled regular meetings with the Financial Advisor to oversee the SISP, including feedback from, and diligence being performed by, Potential Bidders.

### 4.2 Financial Advisor Agreement

1. A copy of the Greenhill Engagement Letter is attached as Exhibit "F" to the First Eskandari Affidavit. The relevant financial terms of the Greenhill Engagement Letter are as follows:
  - a) **Initial Fee:** The Financial Advisor is entitled to an initial advisory fee of US\$500,000, paid on execution of the Greenhill Engagement Letter. In connection with the significant work performed on the Refreshed Sale Process, this amount has already been paid;

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<sup>5</sup> Capitalized terms in this section have the meaning provided to them in the Financial Advisor Agreement, unless otherwise defined herein.

- b) **Monthly Fee:** The Financial Advisor is entitled to a fixed cash monthly fee of US\$150,000 (the “Monthly Fee”) payable monthly from the effective date of the Greenhill Engagement Letter.
  - c) **Transaction Fee:** In the event of a Restructuring or an M&A Transaction, the Financial Advisor will earn a fee equal to US\$3 million (the “Transaction Fee”), provided however that the payment of the Initial Fee and any of the Monthly Fees paid shall be credited against any Transaction Fee, subject to certain conditions.
  - d) **M&A Incentive Fee:** In the event a transaction is consummated with a transaction value that exceeds US\$200 million, the Financial Advisor shall be compensated as the difference between the Transaction Fee and certain formulas set out in Schedule B of the Greenhill Engagement Letter (the “M&A Fee”).
- 2. Pursuant to the terms of the Greenhill Engagement Letter, the implementation and completion of the SISP would result in the Transaction Fee being earned and payable, subject to the crediting described herein.
  - 3. The Financial Advisor’s Monthly Fee is secured by the Administration Charge, whereas any Transaction Fee or M&A Fee (together, the “Additional Fees”) are not. The ARIO sought by the Applicant at the Comeback Hearing proposes to increase the quantum of the Administration Charge to the maximum amount of US\$1 million to provide additional security for the Monthly Fee and proposes a Transaction Fee Charge of US\$2.5 million (representing the Transaction Fee less the Initial Fee already paid) to secure the Transaction Fee (which charge, is proposed to rank subordinate to the Administration Charge and the Directors’ Charge).
  - 4. The Monitor recommends that the Court approve the Greenhill Engagement Letter and grant the Transaction Fee Charge for the following reasons:
    - a) the Financial Advisor is highly qualified and has extensive knowledge of BioSteel's business as a result of its prior mandate;
    - b) in the Monitor’s view, the Monthly Fee of US\$150,000 is reasonable and consistent with the market, and the Transaction Fee payable to the Financial Advisor of US\$3 million is commercially reasonable;
    - c) given its prior mandate, the Financial Advisor is ready to launch the SISP immediately, which will help reduce the costs and timeline associated with the SISP and the CCAA proceeding;
    - d) Canopy and its affiliate – the Applicant's fulcrum creditors and the only creditors with an economic interest in the Applicant – support the retention of Greenhill pursuant to the Greenhill Engagement Letter; and
    - e) in the Monitor’s view, it is appropriate for the Financial Advisor to have the benefit of a Court-approved charge to secure both its Monthly Fee and the Transaction Fee.

## 5.0 Cash Flow Forecast

1. A copy of the Cash Flow Forecast prepared by the Applicant, and reviewed and discussed with the Monitor, along with Management's Report on Cash Flow is attached as Appendix "A". The Cash Flow Forecast is extended from the forecast appended to the Pre-Filing Report and covers the period from September 30, 2023 to November 17, 2023 (the "Forecast Period"). The Cash Flow Forecast contemplates that the Applicant is able to fund its business through the Forecast Period without the need for debtor-in-possession ("DIP") financing. A copy of the Monitor's Report on Cash Flow is attached as Appendix "B".
2. A summary of the Cash Flow Forecast<sup>6</sup> for the Forecast Period is below.

(unaudited; \$000s)		
	Note	Total
Receipts	A	6,700
Disbursements		
Payroll	B	-
Professional fees	C	(13,947)
Other operating expenses	D	(9,164)
Contingency		(400)
Subtotal		(23,511)
Net Cash Flow		(16,811)
Opening Cash Balance		17,425
Net Cash Flow		(16,811)
Ending Cash Balance		614

3. The Monitor notes the following regarding the Cash Flow Forecast:
  - A. *Receipts*: represents the collection of pre-filing accounts receivable. Excludes any receipts related to the sale of inventory post-filing.
  - B. *Payroll*: BioSteel employees are employed and paid by Canopy, and accordingly, payroll obligations are not included in the projection. While BioSteel is obligated to pay Canopy for such amounts, no reimbursements are contemplated during the Forecast Period.
  - C. *Professional fees*: represents professional fees of the Monitor, the Monitor's legal counsel, BioSteel's Canadian and US legal counsel, counsel to the Special Committee, and the Financial Advisor.
  - D. *Other operating expenses*: includes payments for inventory warehousing, rent, utilities, security, sundry items, director and officer runoff liability insurance and HST remittances.

<sup>6</sup> The Cash Flow Forecast represents a combination of the forecast attached to the Pre-Filing Report and the First Report. The notes to the Cash Flow Forecast provide the underlying assumptions, including a description of each line item.

## 6.0 Stay Extension and Related Relief

1. Pursuant to the Initial Order, the Court granted the Initial Stay Period to and including September 24, 2023. The Applicant is requesting an extension of the Stay of Proceedings to November 17, 2023, to align the expiry of the Stay of Proceedings with the timeline of the SISP.
2. The Monitor supports the request for an extension of the Stay of Proceedings and believes that it is appropriate in the circumstances for the following reasons:
  - a) the Applicant is acting in good faith and with due diligence;
  - b) the proposed extension will allow the Applicant time to conduct the SISP;
  - c) the Monitor does not believe that any creditor will be materially prejudiced by the proposed extension of the Stay of Proceedings;
  - d) Canopy supports the extension of the Stay of Proceedings;
  - e) as of the date of this First Report, the Monitor is not aware of any party opposed to an extension of the Stay of Proceedings; and
  - f) the Cash Flow Forecast reflects that the Applicant is projected to have sufficient liquidity to fund its operations and the costs of these CCAA proceedings.
3. The Applicant is also requesting a provision be included in the ARIO which restricts setoff of pre-filing obligations against post-filing obligations without the consent of the Applicant and the Monitor, or further order of the Court.
4. The Monitor believes the proposed setoff provision in the ARIO is appropriate in the circumstances to provide clarity to suppliers, customers and other stakeholders regarding their rights of setoff in these CCAA proceedings, with a view to ensuring that BioSteel can continue to sell inventory and that no setoff rights will be exercised in a manner that may disrupt the business or the SISP. In addition, the Cash Flow Forecast does not contemplate any setoff of pre-filing obligations owing by the Applicant, and accordingly, if any such set off were to occur, the Applicant may require additional funding.

## 7.0 Court Ordered Charges

### 7.1 Proposed Charges and Priority of the Charges

1. As detailed below, the Applicant is seeking increases to the quantum of the Administration Charge and the Directors' Charge and also seeking approval of the Transaction Fee Charge.
2. Each of the Charges previously granted in this CCAA proceeding rank in priority to all other encumbrances against the Property, other than any Person that was not served with notice of the application for the Initial Order. At the Comeback Hearing, the Applicant is seeking to have all of the Charges rank in priority to any encumbrances in respect of the Property.

- If the Court grants the ARIO and approves the Transaction Fee Charge and the proposed increases to the other Charges, the priority and amount of the Charges as among them would be as follows:

Priority	Charge	Current (US\$)	Proposed (US\$)
First	Administration Charge	750,000	1,000,000
Second	Directors' Charge	1,279,000	2,198,000
Third	Transaction Fee Charge	-	2,500,000

## 7.2 Administration Charge Increase

- The Initial Order granted an Administration Charge in an amount not to exceed US\$750,000 to secure the fees and disbursements of the Monitor, Bennett Jones, Cassels, Akin Gump Strauss Hauer & Feld LLP (the Applicant's US legal counsel), Chaitons LLP (legal counsel to the Special Committee) and the Financial Advisor (excluding any Transaction Fees) from the date of the Initial Order to the Comeback Hearing.
- The Applicant is seeking to increase the Administration Charge to US\$1 million. The Monitor is of the view that the increased Administration Charge is required and reasonable in the circumstances given the complexities of the Applicant's CCAA proceedings and the services to be provided by the professionals, each of whom is necessary to further the restructuring efforts of the Applicant.
- The Cash Flow Forecast has been prepared on the basis of weekly payments of professional fees, and accordingly, there should be no exposure to the professionals with the proposed increased Administration Charge.

## 7.3 Directors' Charge Increase

- The Initial Order approved a Directors' Charge in the amount of US\$1.279 million to secure the indemnity in favour of the Directors and Officers in the Initial Order based on potential exposure for the Directors and Officers during the initial 10-day stay period. The Applicant is now seeking to increase the Directors' Charge to US\$2.198 million.
- As provided in the table below, the amount of the Directors' Charge was estimated by the Applicant in consultation with the Monitor, taking into consideration the current vacation pay liability plus the estimated maximum amount at any point in time of the Directors' and Officers' exposure for unpaid payroll, environmental reclamation obligations and sales taxes, all in accordance with applicable provincial or state legislation, as the case may be.

(unaudited)	Amount (US\$000s)
Payroll, including source deductions	525
Termination pay	403
Vacation pay	300
Environmental obligations	156
Unremitted HST	789
US sales tax	25
<b>Total Directors' Charge</b>	<b>2,198</b>



3. The Monitor has reviewed the backup provided by the Applicant in respect of the potential obligations to be covered by the Directors' Charge and is of the view that the proposed increase to the Directors' Charge is reasonable in the circumstances as the continued involvement of the Directors and Officers is beneficial to the Applicant and these proceedings. The basis of these obligations, including the calculation of the Directors' Charge, was described in the Pre-Filing Report.
4. The Monitor is not aware of any objection to the proposed increases to the Administration Charge or the Directors' Charge as of the date of this First Report.

## 8.0 Monitor's Activities since the Filing Date

1. Since the Filing Date, the Monitor has, among other things:
  - a) corresponded regularly with the Applicant's legal counsel, Financial Advisor and management team and its own legal counsel regarding all aspects of these CCAA proceedings, including developing the terms of the SISP;
  - b) worked with the Applicant and its advisors to develop and execute a stakeholder communication strategy;
  - c) monitored the Applicant's proceeding under chapter 15 of the Bankruptcy Code;
  - d) attended calls with representatives of the Applicant and the Special Committee regarding the commencement of these CCAA proceedings and the SISP;
  - e) mailed the CCAA notice to the Applicant's known creditors and filed Forms 1 and 2 with the Office of Superintendent of Bankruptcy, as required under the CCAA and the Initial Order, as applicable;
  - f) posted the CCAA notice, list of creditors and other Court materials on the Case Website;
  - g) arranged for notice of these CCAA proceedings to be published in the *National Post* as required under the Initial Order;
  - h) monitored the Applicant's receipts and disbursements and worked with management to develop a daily cash management monitoring process;
  - i) reviewed the Cash Flow Forecast and the components of the Directors' Charge;
  - j) reviewed and commented on the Applicant's materials filed in support of the relief to be sought at the Comeback Hearing;
  - k) responded to service list addition requests; and
  - l) drafted this First Report.



## 9.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the relief sought by the Applicant at the Comeback Hearing.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
IN ITS CAPACITY AS MONITOR OF  
BIOSTEEL SPORTS NUTRITION INC.  
AND NOT IN ITS PERSONAL CAPACITY**



**Second Report of  
KSV Restructuring Inc.  
as CCAA Monitor of  
BioSteel Sports Nutrition Inc.**

November 14, 2023

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Court File No.:CV-23-00706033-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDEDAND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF BIOSTEEL SPORTS NUTRITION INC.

SECOND REPORT OF KSV RESTRUCTURING INC.

NOVEMBER 14, 2023

## 1.0 Introduction

1. Pursuant to an order (the "Initial Order") issued by the Ontario Superior Court of Justice (Commercial List) (the "Court") on September 14, 2023 (the "Filing Date"), BioSteel Sports Nutrition Inc. (the "Applicant" or "BioSteel Canada") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). The Initial Order, among other things, provided for a ten-day stay of proceedings in favour of the Applicant (the "Stay of Proceedings") and appointed KSV Restructuring Inc. ("KSV") as the monitor of the Applicant (in such capacity, the "Monitor"). In its capacity as the proposed Monitor, KSV filed a pre-filing Report dated September 14, 2023 in connection with the Applicant's motion for the Initial Order (the "Pre-Filing Report"). A copy of the Pre-Filing Report, without appendices, is attached hereto at Appendix "A".
2. BioSteel Canada, operating on an integrated basis with BioSteel Sports Nutrition USA LLC ("BioSteel US") and BioSteel Manufacturing LLC ("BioSteel Manufacturing"), is a sports nutrition and hydration company focused on high-quality ingredients with a strong presence in the professional sports market. BioSteel Manufacturing, BioSteel US and BioSteel Canada are referred to herein as "BioSteel". As described below, BioSteel Manufacturing and BioSteel US are not currently applicants in these proceedings, but BioSteel Canada now seeks to add both parties to these proceedings as "Applicants" (in such capacity, the "Additional Applicants", and together with BioSteel Canada, the "Applicants") and to extend the protections afforded to BioSteel Canada under the ARIO (as defined below) to the Additional Applicants as well.

3. At a comeback hearing on September 21, 2023 (the “Comeback Hearing”), the Court granted:
  - a) an order, among other things, approving the SISP to be conducted by the Applicant, with the assistance of the Financial Advisor and under the oversight of the Monitor (the “SISP Approval Order”); and
  - b) an Amended and Restated Initial Order (the “ARIO”), among other things:
    - extending the Stay of Proceedings to and including November 17, 2023; and
    - approving the retention of Greenhill & Co. Canada Ltd. (“Greenhill”) as the “Financial Advisor”, *nunc pro tunc*, pursuant to an agreement dated August 24, 2023 between the Applicant and the Financial Advisor (the “Greenhill Engagement Letter”) and granting a charge on the Property in favour of the Financial Advisor to the maximum amount of US\$2.5 million to secure the payment of the transaction fee (the “Transaction Fee”) payable under the Greenhill Engagement Letter (the “Transaction Fee Charge” and together with the Administration Charge and the Directors' Charge, collectively, the “Charges”).
4. The Monitor filed a Report dated September 19, 2023 in connection with the comeback hearing (the “First Report”). A copy of the First Report, without appendices, is attached hereto at Appendix “B”.
5. On September 17, 2023, the Applicant filed a petition for recognition of this CCAA proceeding pursuant to chapter 15 of title 11 of the *United States Bankruptcy Code* (the “Bankruptcy Code”) with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “US Bankruptcy Court”). On October 11, 2023, the US Bankruptcy Court entered an order recognizing the CCAA proceeding as a foreign main proceeding under chapter 15 of the Bankruptcy Code.
6. Capitalized terms used herein but not otherwise defined have the meanings ascribed in the affidavit of Sarah Eskandari, General Counsel of BioSteel, sworn on November 10, 2023 (the “Third Eskandari Affidavit”).

## 1.1 Purposes of this Report

1. The purposes of this report (the “Second Report”) are to:
  - a) provide background information regarding the Applicant and these proceedings;
  - b) summarize the results of the SISP;
  - c) summarize the terms of a transaction (the “BioSteel Canada Transaction”) between BioSteel Canada and DC Holdings Ltd. d/b/a Coachwood Group of Companies (“DC”), for the sale of, among other things, certain inventory, intellectual property and related assets, pursuant to an Asset Purchase Agreement dated November 9, 2023 (the “BioSteel Canada Purchase Agreement”);

- d) summarize the terms of a transaction (the “Manufacturing Transaction”, and together with the “BioSteel Canada Transaction, the “Transactions”) between BioSteel Manufacturing and Gregory Packaging Inc. (“GPI”), for the sale of substantially all of the assets of BioSteel Manufacturing, including equipment and inventory, pursuant to an Asset Purchase Agreement dated November 9, 2023 (the “Manufacturing Purchase Agreement”, and together with the BioSteel Canada Purchase Agreement, the “Purchase Agreements”);
- e) provide the Monitor's views on adding BioSteel Manufacturing and BioSteel US as Additional Applicants in the CCAA proceedings;
- f) report on the cash flow forecast for the period from November 13, 2023 to January 31, 2024 prepared by the Applicants with the assistance of the Monitor (the “Cash Flow Forecast”);
- g) set out the Monitor’s basis for its support of the Applicants’ request that the stay of proceedings be extended from November 17, 2023 to January 31, 2024;
- h) report on certain correspondence among the Applicants, the Monitor and Flow Beverages Corp. (“Flow”);
- i) discuss BioSteel Canada’s loyalty program (the “Loyalty Program”) and the reasons the Monitor supports discontinuing the Loyalty Program; and
- j) recommend the Court issue the following Orders:
  - i. an approval and vesting Order in respect of the BioSteel Canada Transaction (the “BioSteel Canada AVO”), among other things:
    - approving the BioSteel Canada Transaction; and
    - following the Monitor’s delivery of the Monitor’s certificate substantially in the form attached as Schedule “A” to the proposed BioSteel Canada AVO, transferring and vesting all of BioSteel Canada's right, title and interest in and to the BioSteel Canada Purchased Assets (the Purchased Assets as set out in the BioSteel Canada Purchase Agreement) free and clear of and from any and all claims, liabilities, liens, and encumbrances;
  - ii. an approval and vesting Order in respect of the BioSteel Manufacturing Transaction (the “Manufacturing AVO”), among other things:
    - approving the BioSteel Manufacturing Transaction;
    - following the Monitor’s delivery of the Monitor’s certificate substantially in the form attached as Schedule “A” to the proposed Manufacturing AVO (the “Manufacturing Certificate”), transferring and vesting all of BioSteel Manufacturing's right, title and interest in and to the Manufacturing Purchase Assets (the Purchased Assets as set out in the Manufacturing Purchase Agreement) free and clear of and from any and all claims, liabilities, liens, and encumbrances; and

- upon delivery of the Manufacturing Certificate, assigning all rights and obligations of BioSteel Manufacturing in respect of the industrial operating space located in Verona, Virginia; and
- iii. an Order (the “Ancillary Relief Order”), among other things:
- adding BioSteel Manufacturing and BioSteel US as Applicants in these proceedings with such rights, protections, and obligations as are afforded to BioSteel Canada in these proceedings, and extending the Charges to the Property (each as defined in the ARIO) of BioSteel Manufacturing and BioSteel US;
  - appointing BioSteel Canada as foreign representative in respect of the Additional Applicants for the purposes of having the CCAA proceedings recognized, enforced and approved in the United States;
  - authorizing continued intercompany transactions amongst the Applicants;
  - terminating the Loyalty Program;
  - authorizing the payment of the Transaction Fee on a pro rata basis by BioSteel Canada and BioSteel Manufacturing based on the purchase prices in the Transactions;
  - temporarily sealing the Confidential Appendices to this Report (collectively, the “Confidential Appendix”), which appends (i) a confidential summary of the bids received pursuant to the SISP; (ii) unredacted copies of the BioSteel Canada Purchase Agreement and the Manufacturing Purchase Agreement, including all schedules thereto; and (iii) unredacted copies of the Back-Up Bids (as defined in the SISP); and
  - extending the Stay of Proceedings to January 31, 2024.

## 1.2 Restrictions

1. In preparing this Second Report, the Monitor has relied upon the Applicants' audited and unaudited financial information, books and records and discussions with the Applicants' management, their legal counsel (Cassels Brock & Blackwell LLP) and Financial Advisor.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Second Report in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.

3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Second Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

### 1.3 Currency

1. Unless otherwise noted, all currency references in this Second Report are in Canadian dollars.

## 2.0 Background

### 2.1 Overview

1. The Affidavit of Sarah Eskandari sworn September 13, 2023 in support of the CCAA application (the "First Eskandari Affidavit"), and the Pre-Filing Report both provide background information with respect to the Applicant's business and operations, including the reasons for the commencement of these CCAA proceedings. Accordingly, that information is not repeated in this Second Report.
2. BioSteel produced consumer products, including ready-to-drink sports drinks ("RTDs"), hydration mixes and supplements, which were available at retailers across Canada, the United States and online. At the commencement of the CCAA proceedings, each of BioSteel Canada, BioSteel US, and BioSteel Manufacturing placed its respective business into hibernation in order to limit operating costs during the SISF. Limited staff has remained at the expense of Canopy Growth Corporation ("Canopy") and its affiliate during this time to allow the BioSteel entities to maintain limited operations and to facilitate the SISF.
3. Canopy owns approximately 90.4% of the shares of BioSteel Canada. As of the Filing Date, Canopy and an affiliate have made secured loans of approximately \$366 million, excluding interest and costs, to BioSteel Canada. As discussed below, the Additional Applicants are guarantors on a separate credit facility under which Canopy and an affiliate are the borrowers and approximately US\$430 million in principal was outstanding as of November 1, 2023.
4. Court materials, notices and other information relating to these proceedings, including the Eskandari Affidavits and the Reports of the Monitor, are available on the Monitor's website at the following link: [www.ksvadvisory.com/experience/case/biosteel](http://www.ksvadvisory.com/experience/case/biosteel).



## 3.0 SISP<sup>1</sup>

### 3.1 Marketing Process

1. The Applicant, with the assistance of Greenhill and under the supervision of the Monitor, has carried out the SISP in accordance with the SISP Approval Order. A summary of the SISP is as follows:
  - a) following the issuance of the SISP Approval Order, the Applicant and Greenhill launched the SISP on September 21, 2023 by distributing an interest solicitation letter detailing the acquisition opportunity (the “Teaser”) to potential purchasers and investors;
  - b) the Teaser was sent to 78 potentially interested parties, of which 20 parties had shown interest in BioSteel prior to the commencement of the SISP. Interested parties were comprised of Canadian and US operators, financial groups and other strategic parties, including certain parties that contacted the Monitor directly following the commencement of these CCAA proceedings. In compiling the list of potentially interested parties, Greenhill sought input from the Applicant, the Applicant’s counsel and the Monitor;
  - c) attached to the Teaser was a form of non-disclosure agreement (“NDA”) and the SISP Approval Order. Parties that executed the NDA were provided the opportunity to access an online data room managed by Greenhill;
  - d) interested parties that executed an NDA were provided with a confidential information memorandum and access to a virtual data room;
  - e) the virtual data room contained certain historical and projected financial information and certain other relevant diligence information, including operational metrics, personnel information and material contracts and agreements. An electronic copy of a template form of asset purchase agreement was also made available in the data room;
  - f) the SISP provided that a “Qualified Bid” must provide for, among other things, cash consideration sufficient to pay, at a minimum: (i) any obligations in connection with the Charges (as defined in the ARIO) and any obligations in priority thereto; and (ii) \$2 million to fund a wind-up of these CCAA proceedings and any further proceedings or wind-up costs;
  - g) Qualified Bids were also to be accompanied by payment of a deposit in the amount of 10% of the proposed purchase price, payable by wire transfer to the Monitor, in trust; and
  - h) pursuant to the SISP, the deadline for interested parties to submit a Qualified Bid was 5:00 p.m. (Eastern Time) on October 16, 2023 (the “Bid Deadline”).

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<sup>1</sup> Capitalized terms in this section have the meaning provided to them in the SISP or SISP Approval Order unless otherwise defined herein.

## 3.2 SISP Results

1. Based on information provided by Greenhill, a summary of the results of the SISP is as follows:
  - a) 41 parties executed the NDA (including parties that had previously executed an NDA in respect of the pre-filing sale process) and all parties that engaged further in the SISP received the confidential information memorandum;
  - b) 32 parties accessed the data room in the SISP;
  - c) 11 parties submitted due diligence questions;
  - d) 4 parties conducted tours of the manufacturing facility located in Verona, Virginia;
  - e) 8 parties submitted bids prior to the Bid Deadline;
  - f) 6 of the bids received were Qualified Bids; and
  - g) of the 6 Qualified Bids, 2 were for all or substantially all of the BioSteel business or its assets, and 4 were for select assets.
2. Greenhill's summary of the offers received pursuant the SISP (the "Offer Summary") is included at Confidential Appendix "1".
3. To allow for additional negotiations in the interest of maximizing value, the Applicant, in consultation with Greenhill and the Monitor, informed all Qualified Bidders that the deadline to select a successful bid under the terms of the SISP was revised first from October 23, 2023 to October 30, 2023, subsequently to October 31, 2023 at 5:00pm and ultimately to October 31, 2023 at 11:59 pm. Further, in connection with the extension of the deadline to select a Successful Bid, the Applicant also notified bidders of the following milestone date amendments:

Milestone	Prior Deadline	Revised Deadline
Deadline to Select Successful Bid (if any)	October 23, 2023	October 31, 2023
Approval and Vesting Order hearing	November 3, 2023	November 16, 2023
Outside Date for Closing of Successful Bid	November 15, 2023	November 30, 2023

4. During the extension period, Greenhill, with the assistance of the Applicant, its counsel and the Monitor, worked with the Qualified Bidders to attempt to clarify and/or improve the Qualified Bids, and certain revised Qualified Bids were submitted. Nearly 2 weeks after the Bid Deadline, an additional bid was received that did not comply with the Qualified Bid terms and was not competitive from a financial perspective.
5. On October 31, 2023, Greenhill advised each of DC and GPI that it had been selected as a Successful Bidder in respect of its Qualified Bid under the terms of the SISP. The Qualified Bids from DC and GPI were non-overlapping.
6. Greenhill also advised 2 other Qualified Bidders that they had been selected as a "Back-up Bidder" in accordance with the SISP. A copy of the purchase agreements in respect of the Back-Up Bids is attached at Confidential Appendix "2".

## 4.0 Transactions<sup>2</sup>

### 4.1 BioSteel Canada Transaction

1. The BioSteel Canada Purchase Agreement contemplates a transaction whereby DC will purchase the intangible assets and intellectual property of BioSteel, and certain of the Applicant's finished goods.
2. The key terms and conditions of the BioSteel Canada Purchase Agreement are provided below, and the unredacted agreement is attached in Confidential Appendix "3".
  - **Purchased Assets:** the BioSteel Canada Purchased Assets include:
    - a) the Applicant's intangible assets and intellectual property;
    - b) the Applicant's formulas and recipes;
    - c) all inventory of BioSteel Canada, other than Excluded Inventory; and
    - d) certain specified fixed assets, furniture and fixtures.
  - **Purchase Price:** The Applicant is seeking to seal the purchase price (the "DC Purchase Price"). DC shall pay any applicable transfer taxes in addition to the DC Purchase Price.
  - **Deposit:** DC has paid a deposit representing 10% of the DC Purchase Price.
  - **Closing Date:** five business days after the satisfaction or waiver of all conditions, or such other date as may be agreed between the parties, provided that the Closing Date shall be no later than the Outside Date.
  - **Outside Date:** November 30, 2023, or such later date as BioSteel Canada, with the consent of the Monitor, and DC may agree to in writing, each acting reasonably.
  - **Excluded Assets:** Among other things:
    - a) all Excluded Inventory;
    - b) all pending and executory contracts or agreements to which BioSteel Canada is a party or by which BioSteel Canada is bound or in which BioSteel Canada has, or will at Closing have, any rights or by which any of its property or assets are or may be affected; and
    - c) all accounts receivable owing to BioSteel Canada as of the Closing Date.

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<sup>2</sup> Capitalized terms in this section have the meaning provided to them in the BioSteel Canada Purchase Agreement or the Manufacturing Purchase Agreement unless otherwise defined herein.

- **Assumed Liabilities:** No liabilities will be assumed other than the costs and fees associated with recording the transfer and assignment of any registered Intellectual Property comprising a part of the BioSteel Canada Purchased Assets and all Liabilities from and after Closing in respect of any contracts underlying the intangible assets and intellectual property included in the Purchased Assets which the Purchaser elects to assume.
- **Excluded Liabilities:** All Liabilities associated with BioSteel Canada's operations of its business prior to Closing, including any cure costs.
- **Employee Matters:** All individuals employed in connection with BioSteel Canada's business are employed by Canopy or its affiliates. The BioSteel Canada Purchase Agreement does not provide for DC to assume any employees related to the BioSteel Canada business.
- **Representations and Warranties:** Consistent with the standard terms of an insolvency transaction, i.e. to be sold on an "as is, where is" basis, with limited representations and warranties.
- **Conditions to Closing:** The material conditions to closing are that the BioSteel Canada AVO and US Recognition Order shall have been obtained and shall be final.
- **Post-Closing Sales of Qualified and Unqualified Inventory**
  - i. For a period of 120 days following the Closing Date (the "Sale Period"), DC (on behalf of BioSteel Canada) shall have the exclusive right to sell any Excluded Inventory that has greater than 19 months' shelf life from the Closing Date and is not subject to encumbrance ("Qualified Inventory") through DC's distribution channels at a price reasonably agreed upon between BioSteel Canada and DC.
  - ii. DC will be entitled to a fee of the net sales of Qualified Inventory, payable on a monthly basis.
  - iii. BioSteel Canada shall be permitted to sell Excluded Inventory that is not Qualified Inventory ("Unqualified Inventory") to consumers located in Canada or to wholesalers for the purpose of resale within Canada.
  - iv. DC shall grant a non-exclusive, royalty-free license to BioSteel, or a subsequent trustee in bankruptcy, to use Purchased Intellectual Property for the purpose of marketing Unqualified Inventory for sale, such license for a term of 24 months after the Closing Date.
  - v. Prior to the end of the Sale Period, DC shall have the right to acquire the remaining Qualified Inventory at the applicable cost. If notice of intent to purchase is not received from DC prior to the end to the Sale Period, BioSteel Canada will have sole discretion to sell the remaining Qualified Inventory.

- **Termination:** The BioSteel Canada Purchase Agreement can be terminated by DC and/or the Applicant:
  - a) on mutual written agreement between BioSteel Canada (with the consent of the Monitor) and DC;
  - b) by BioSteel Canada (with the consent of the Monitor) or DC if Closing has not taken place by the Outside Date; or the BioSteel Canada AVO is not obtained on or before November 30, 2023 (subject to availability of the Court), provided that the failure to close or obtain the BioSteel Canada AVO is not caused by a breach of the agreement or by the party proposing to terminate the agreement;
  - c) if the conditions contained in the BioSteel Canada Purchase Agreement are not achieved; or
  - d) if there has been a material violation or breach by a party of any covenant, representation or warranty that would prevent the satisfaction of any closing condition in favour of the other party on the Closing Date and such violation or breach has not been waived or cured in accordance with the BioSteel Canada Purchase Agreement.

#### 4.2 BioSteel Manufacturing Transaction

1. The Manufacturing Purchase Agreement contemplates a transaction whereby GPI will purchase substantially all of the assets of BioSteel Manufacturing.
2. The key terms and conditions of the Manufacturing Purchase Agreement are provided below and the unredacted agreement is attached in Confidential Appendix "4".
  - **Purchased Assets:** The Manufacturing Purchased Assets are substantially all of the assets of BioSteel Manufacturing, including:
    - a) BioSteel Manufacturing's property, plant and equipment and other fixed assets listed in certain exhibits to the Manufacturing Purchase Agreement;
    - b) all inventories, including spare parts at the operating facility in Verona, Virginia; and
    - c) all production reports and records, equipment logs, operating guides and manuals related to the property, plant, and equipment.
  - **Purchase Price:** The Applicants are seeking to seal the purchase price (the "GPI Purchase Price").  
  
GPI shall pay any applicable transfer taxes associated with the acquisition of the Purchased Assets.
  - **Deposit:** GPI has paid a deposit equal to 10% of the cash component of the GPI Purchase Price.

- **Closing Date:** The parties shall use commercially reasonable efforts to close before the Outside Date.
- **Outside Date:** November 30, 2023, or such later date and time as GPI, with the consent of the Monitor and BioSteel Manufacturing may agree to in writing, each acting reasonably; provided, however, that if the motion for the BioSteel Recognition Order is not heard on an expedited basis, the Outside date will be extended to 10 Business Days after the ruling on such motion; provided further that in no event shall the Outside Date be extended beyond December 15, 2023.
- **Assumed Liabilities:** GPI will not assume any liabilities of BioSteel Manufacturing, except for the future liabilities and obligations associated with the lease in Verona, Virginia (the “Lease”), which shall be assigned by BioSteel Manufacturing to GP pursuant (i) to the terms of a lease assignment and landlord consent agreed to by the parties (the “Lease Assignment and Landlord Consent”), or (ii) an assignment Order (the “Assignment Order”).
- **Excluded Liabilities:** All liabilities of BioSteel Manufacturing and its affiliates, other than all liabilities of BioSteel Manufacturing in respect of the Lease.
- **Employee Matters:** All individuals employed in connection with BioSteel Manufacturing's business are employed by Canopy and its affiliates. BioSteel Manufacturing and its affiliates will provide GPI information with respect to such employees as may be reasonably required for GPI to assess whether an offer of employment will be extended. Following closing, GPI will have the right, but not the obligation, to extend employment offers to any such employees it wishes to employ.
- **Representations and Warranties:** Consistent with the standard terms of an insolvency transaction, i.e. to be sold on an “as is, where is” basis, with limited representations and warranties.
- **Conditions to Closing:** Material conditions to closing include, among other things:
  - i. BioSteel Manufacturing shall have been added as an Applicant in the CCAA proceedings;
  - ii. the Manufacturing AVO in the CCAA Proceedings and the BioSteel Recognition Order and the Bankruptcy Court Sale Order in the US Chapter 15 recognition proceedings shall have been obtained and shall be final; and
  - iii. if the fully executed Lease Assignment and Landlord Consent has not been delivered by the parties, the Court shall have issued the Assignment Order, which shall be final.
- **Termination:** The Manufacturing Purchase Agreement can be terminated by GPI and/or BioSteel Manufacturing:
  - a) on mutual agreement between BioSteel Manufacturing (with the consent of the Monitor) and GPI;

- b) by BioSteel Manufacturing with the consent of the Monitor, or by GPI upon written notice, if Closing has not taken place by the Closing Date or the Manufacturing AVO or the Bankruptcy Court Sale Order are not obtained by the Closing Date;
- c) if the conditions contained in the Manufacturing Purchase Agreement are not achieved;
- d) if all or substantially all of the Purchased Assets are lost or destroyed prior to the Closing Time; or
- e) if there has been a material violation or breach by a party of any covenant, representation or warranty that would prevent the satisfaction of any closing condition in favour of the other party on the Closing Date and such violation or breach has not been waived or cured in accordance with the Manufacturing Purchase Agreement.

### **4.3 Sealing of the Confidential Appendix**

1. The Applicants seek to seal the Confidential Appendix. As discussed above, the Confidential Appendix contains: (i) the Offer Summary; (ii) unredacted copies of the Purchase Agreements; and (iii) unredacted copies of the Back-Up Bids. For the reasons that follow, among others, the Monitor agrees that sealing the Confidential Appendix is necessary and appropriate in the circumstances.
2. The Confidential Appendix contains detailed and competitively sensitive information regarding the bids received, including the proposed purchase prices and certain schedules. The disclosure of this information prior to closing could prejudice the Applicants' ability to maximize value for its stakeholders by hindering their ability to pursue alternate transactions.
3. The Monitor notes that participants in the SISP included former company insiders of the Applicant as well as participants in the beverage industry. Following discussions with the Financial Advisor and the Applicant, the Monitor is concerned that disclosure of the information contained in the Confidential Appendix could be used by these parties to attempt to frustrate the completion of one or both Transactions, to the detriment of the Applicant and its stakeholders. Therefore, the Monitor's view is that sealing the Confidential Appendix is necessary both to maintain the integrity of the SISP, as well as to promote the efficient and expedient closing of the Transactions.
4. Redacted copies of the Purchase Agreements were filed with the Applicants' motion materials, and summaries of the key terms of same are contained in the Applicants' motion materials and herein. The Applicants seek to seal the Confidential Appendix only until closing of the Transactions, which is appropriately limited in the circumstances.



#### 4.4 Transaction Recommendations

1. The Monitor recommends that the Court issue an Order approving the Transactions for the following reasons:
  - a) in the Monitor's view, the SISP was commercially reasonable and conducted in accordance with the SISP Approval Order, including the timelines it established, which allowed the opportunity for the market to be broadly canvassed and provided an opportunity for parties to perform due diligence. This is evidenced by the Applicant having received 6 Qualifying Bids;
  - b) collectively, the Transactions provide for the greatest recovery available in the circumstances and are more beneficial to creditors than a sale or disposition in a bankruptcy based on the liquidation analysis prepared by Canopy's financial advisor, which has been reviewed by the Monitor;
  - c) the proposed assignment of Lease is necessary to complete the Manufacturing Transaction, and the Monitor has been provided evidence that GPI has the financial resources to perform its obligations under the Lease;
  - d) Canopy and its affiliate, BioSteel Canada's fulcrum secured creditors which will realize a substantial loss on their secured debt, are supportive of the Transactions;
  - e) Greenhill, which has extensive experience in M&A transactions and deep knowledge of BioSteel, is of the view that, collectively, the Transactions are the best outcome currently available to BioSteel and the consideration to be received, taken as a whole, is fair and reasonable given the facts and circumstances of BioSteel and this CCAA proceeding; and
  - f) the Monitor does not believe that further time spent marketing BioSteel's business and assets will result in a superior transaction. Moreover, BioSteel does not have the funding required to continue its business (and has already put its operations into hibernation), nor this CCAA proceeding, during any further marketing process.
2. The Ancillary Relief Order provides that the amounts owed to Greenhill for its Transaction Fees (up to US\$2.5 million calculated by subtracting the Monthly Advisory Fees paid as of the date of the Base Transaction Fee becomes payable), which are secured by the Transaction Fee Charge, shall be split pro rata between BioSteel Canada and BioSteel Manufacturing based on the Purchase Price listed in each applicable transaction. The Monitor is of the view that the Transaction Fees should be split proportionally in such a manner as the Financial Advisor had been retained to sell the BioSteel business which is held by several entities. The Monitor understands that Canopy and its affiliate are supportive of the proposed proportionate split. Pursuant to the Ancillary Relief Order, after the payment of the Transaction Fees referenced above, the Transaction Fee Charge shall be automatically released and terminated without any further action.



## 5.0 Other matters

### 5.1 Additional Applicants

1. Pursuant to the Ancillary Relief Order, BioSteel seeks to add BioSteel Manufacturing and BioSteel US each as an “Applicant” in this CCAA proceeding. The addition of the Additional Applicants will facilitate the BioSteel Manufacturing Transaction and the ultimate wind-up of the remaining BioSteel business.
2. As discussed in further detail in the Third Eskandari Affidavit, the Additional Applicants were both incorporated in Delaware and operate in the United States. The Additional Applicants are not subsidiaries of the Applicant, but they are entirely dependent upon the Applicant for their operations, management and business, and both operate on a fully integrated basis with the Applicant.
3. BioSteel US engaged in marketing and distribution of BioSteel-branded products to businesses in the United States, and fulfilled business customer purchase orders by way of a supply and distribution agreement between BioSteel Canada and BioSteel US pursuant to which the Applicant provides all order processing, shipping and billing services and BioSteel US acquires title immediately before the onward sale to its customer.
4. BioSteel Manufacturing historically produced RTDs for BioSteel Canada and manufactured and supplied products to Flow Beverages Inc. (discussed further below). BioSteel Manufacturing owns certain valuable manufacturing equipment and a lease for industrial space in Verona, Virginia.
5. The Monitor understands that, prior to the commencement of the CCAA proceeding, BioSteel Canada contracted for the manufacture of RTDs (both with BioSteel Manufacturing and through third parties), Hydration Mix (through third party CMOs) and other products and sold products both within Canada and online. In the United States, BioSteel products were distributed through BioSteel US on a business to business basis. Since the Filing Date, BioSteel Canada has not requested any production of product from BioSteel Manufacturing and has not paid for the supply of any goods. The Monitor understands that BioSteel Canada has paid certain limited obligations of BioSteel Manufacturing to maintain the value of its assets and to comply with applicable laws.
6. Prior to the commencement of the CCAA proceeding, the Monitor understands that each of the Additional Applicants deposited a retainer with counsel to BioSteel in Toronto, Ontario.
7. The Monitor agrees that the Additional Applicants’ centre of main interests is Canada. As noted in the Third Eskandari Affidavit, the Additional Applicants cannot function without critical support from BioSteel Canada; many of the Additional Applicants’ operational elements are carried out in Canada; each of the Additional Applicants has entered into contracts with the notice provisions requiring notice to be delivered in Ontario and counterparties regularly accepted instruction from parties located in Toronto, which indicates to creditors that the Additional Applicants are based in

Canada; and the boards of directors of the BioSteel entities are substantially similar and each include a Canadian board member.

8. The Monitor agrees with BioSteel that the Additional Applicants are insolvent and do not have sufficient liquidity to meet their secured and unsecured trade payables and liabilities.
9. As set out in more detail in the Third Eskandari Affidavit, the Additional Applicants entered into a Guarantee Agreement through which the Additional Applicants guaranteed, jointly and severally and as primary obligors, the due and punctual payment and performance of the obligations of Canopy and its affiliate under the Canopy Credit Agreement. In connection therewith, the Additional Applicants are also "Pledgors" pursuant to a Canadian Pledge and Security Agreement and a US Pledge and Security Agreement, pursuant to which the Additional Applicants granted broad security interests in all right, title and interest in or to each Additional Applicant's undertakings, assets and properties now owned or at any time thereafter acquired by such Additional Applicant in which such Additional Applicant now has or at any time in the future may acquire any right, title or interest. As at November 1, 2023, approximately US\$430 million in principal was outstanding under the Canopy Credit Agreement. BioSteel US and BioSteel Manufacturing each also have various unsecured creditors.
10. On November 8, 2023, the administrative agent under the Canopy Credit Agreement and Canopy entered into a Limited Waiver Agreement that, among other things, waives any default that may arise as a result of the commencement of proceedings by BioSteel and preserves the rights of the administrative agent and senior secured lenders to enforce and collect on their claims as secured creditors against the Additional Applicants in these proceedings or to take actions in furtherance of same. The Limited Waiver Agreement allows the Additional Applicants to commence these proceedings, but preserves the rights of the administrative agent and senior secured lenders to enforce and collect on their claims as secured creditors and to receive all of the net proceeds received by the Additional Applicants in connection with the disposition of their respective assets pursuant to the Manufacturing Transaction.
11. After the closing of the Transactions, the Additional Applicants will be unable to continue operations. The Additional Applicants have no employees of their own, and Canopy has advised that it is unwilling to continue providing employee services other than as needed to facilitate these proceedings and the wind-down of BioSteel. Further, BioSteel Manufacturing does not have operating income since BioSteel Canada ceased placing orders for RTD production and Canopy gave notice of its intent to terminate most employees providing services to BioSteel – it will also have no operating assets after the closing of the Manufacturing Transaction. Finally, BioSteel US will have no go-forward operations and will need to wind down following closing of the BioSteel Canada Transaction.
12. Based on the above, the Monitor is of the view that adding the Additional Applicants is necessary and appropriate in the circumstances, and is not likely to prejudice any stakeholders.

## 5.2 Intercompany Transactions

1. To facilitate the needs of the business in the ordinary course, BioSteel Canada, BioSteel Manufacturing and BioSteel US have historically engaged in certain intercompany transactions. These fund movements are reconciled for the purposes of financial reporting and tax returns on an annual basis. The BioSteel bank accounts and the intercompany movement of funds in accordance with past practices between the BioSteel entities and Canopy constitute the cash management system of BioSteel, which BioSteel seeks approval of pursuant to the Ancillary Order. The Monitor believes the relief sought is appropriate and necessary in the circumstances. The Monitor intends to continue to review all intercompany transactions.

## 5.3 Flow Beverages Corp.

1. As set out in the Third Eskandari Affidavit, BioSteel Manufacturing manufactured and supplied projects to Flow Beverages Inc. ("Flow US"), a US affiliate of Flow, pursuant to a co-manufacturing agreement ("CMA"). The Monitor understands that BioSteel Manufacturing, Flow US, and Canopy also entered into an Asset Purchase Agreement as of November 8, 2022 (the "Flow APA") pursuant to which Flow was granted a right of first offer (the "ROFO") in respect of certain specified assets, and subject to certain specified exceptions, including in connection with a sale of all or substantially all of the assets of BioSteel Manufacturing.
2. Another affiliate of Flow submitted a Qualified Bid in the SISP. Subsequent to the Qualified Bid Deadline in the SISP, on November 1, 2023, Flow delivered a letter to BioSteel and the Financial Advisor in which Flow asserted that the ROFO had been triggered by the SISP, such that (i) BioSteel was obligated to issue a ROFO notice in accordance with the Flow APA, and (ii) BioSteel and the Financial Advisor were obligated to disclose the terms of all Qualified Bids submitted in the SISP.
3. Also on November 1, 2023, counsel to the Applicant responded to Flow's letter and advised, among other things, that (i) the SISP authorized the Applicant and the Financial Advisor to market substantially all of the equity and assets of the BioSteel Entities; (ii) the SISP had been conducted in accordance with its terms under the supervision of the Monitor; and (iii) in order to maintain the integrity of the SISP, no details of competing Qualified Bids would be provided to Flow.
4. On November 2, 2023, counsel to Flow delivered a letter to the Monitor and counsel to the Monitor requesting the Monitor's views on the Applicant's positions expressed in its November 1, 2023 letter and reiterating the request for certain information regarding the SISP.
5. On November 3, 2023, counsel to the Monitor responded to Flow's counsel, among other things, (i) confirming that maintaining the integrity of the SISP is of the utmost importance, (ii) confirming its support of the Applicant's position that the SISP authorized the Applicant to market substantially all of the BioSteel Entities' equity and assets, and the SISP did not contemplate providing any bidder with details of any other bidder's bids; and (iii) expressing the Monitor's view that, in any event, the ROFO was not triggered by the SISP or any transactions resulting therefrom given that there is a sale of all or substantially all of the assets of BioSteel Manufacturing. Each of the letters referred to in this Section 5.3 attached hereto at Appendix "C".

6. As of the date of this Report, the Monitor has not received any response to its November 3, 2023 letter.
7. The Monitor notes the following with respect to these matters:
  - a. counsel to Flow was added to the service list as of September 14, 2023 and was served with notice of the SISP Approval Order motion;
  - b. the SISP Approval Order was granted on an unopposed basis;
  - c. as set out above, the SISP authorizes the solicitation of transactions in respect of, among other things, “the equity or all or substantially all of the assets of [...] BioSteel Sports Nutrition USA LLC and BioSteel Manufacturing LLC”;
  - d. as set out above, the SISP was carried out in accordance with its terms by the Applicant and the Financial Advisor, under the supervision of the Monitor;
  - e. the SISP does not contemplate the possibility of BioSteel Manufacturing issuing a ROFO notice at the end of the SISP, and the Monitor believes such a result would negatively affect the integrity of the SISP; and
  - f. in any event, the BioSteel Manufacturing Transaction contemplates the sale of all or substantially all of the assets of BioSteel Manufacturing such that the ROFO is not applicable.

#### **5.4 BioSteel Loyalty Program**

1. The Applicant is seeking specific approval to discontinue its customer Loyalty Program. As set out in the Third Eskandari Affidavit, approximately 45,000 individuals are registered in the Loyalty Program, and since the commencement of these proceedings, all point redemptions related to products and merchandise have been disabled.
2. Neither of the SISP Transactions contemplate the continuation or assumption of the Loyalty Program, and accordingly, the Applicant and the Monitor believe it is appropriate to take steps to terminate it at this time.

#### **6.0 Cash Flow Forecast**

1. The Applicants, with the assistance of the Monitor, have prepared the Cash Flow Forecast for the period November 13, 2023 to January 31, 2024 (the “Forecast Period”). The Cash Flow Forecast has been prepared for all of the Applicants on consolidated basis. The Cash Flow Forecast and the Applicants’ statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as Appendix “D”.
2. The Cash Flow Forecast contemplates that the Transactions will close on or about November 30, 2023 and that remaining operations are wound down thereafter. Proceeds from the Transactions have been excluded from the Cash Flow Forecast. Even without the proceeds, the Cash Flow Forecast reflects that the Applicants will have sufficient liquidity through the Forecast Period.

3. Based on the Monitor’s review of the Cash Flow Forecast, the cash flow assumptions appear reasonable.
4. The Monitor’s statutory report on the Cash Flow Forecast is attached as Appendix “E”.

## 7.0 Stay Extension

1. The Stay of Proceedings is currently set to expire on November 17, 2023. The Applicants are requesting an extension of the Stay of Proceedings until January 31, 2024 to allow time for the Applicants to sell any remaining inventory, collect on accounts receivable, and conduct a wind-down of its remaining business. The extension of the Stay of Proceedings will also allow the Applicants time to prepare materials and return to Court to seek further relief, including the authority to make distributions of the net proceeds from the Transactions to the Applicants’ secured creditors.
2. The Monitor supports the request for an extension of the Stay of Proceedings for the following reasons:
  - a) the Applicant has been acting, and continues to act, in good faith and with due diligence;
  - b) the Monitor does not believe that any creditor will be prejudiced by the extension being sought;
  - c) it will provide the Applicant and BioSteel Manufacturing the time required to work with DC and GPI, and their respective legal counsel, to complete the Transactions;
  - d) as of the date of this Report, the Monitor is not aware of any party opposed to an extension; and
  - e) based on the Cash Flow Forecast, the Applicants are projected to have sufficient liquidity until January 31, 2024.

## 8.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make the orders granting the relief detailed in Section 1.1(1)(j) of this Report

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
IN ITS CAPACITY AS MONITOR OF  
BIOSTEEL SPORTS NUTRITION INC.  
AND IN ITS CAPACITY AS PROPOSED MONITOR  
OF BIOSTEEL SPORTS NUTRITION USA LLC AND BIOSTEEL MANUFACTURING LLC  
AND NOT IN ITS PERSONAL CAPACITY**



December 12, 2023

**Third Report of  
KSV Restructuring Inc.  
as CCAA Monitor of  
BioSteel Sports Nutrition Inc.,  
BioSteel Sports Nutrition USA LLC,  
and BioSteel Manufacturing LLC**

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Court File No.: CV-23-00706033-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL SPORTS NUTRITION  
USA LLC, AND BIOSTEEL MANUFACTURING LLC

THIRD REPORT OF KSV RESTRUCTURING INC.

DECEMBER 12, 2023

## 1.0 Introduction

1. Pursuant to an order (the "Initial Order") issued by the Ontario Superior Court of Justice (Commercial List) (the "Court") on September 14, 2023 (the "Filing Date"), BioSteel Sports Nutrition Inc. ("BioSteel Canada") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). The Initial Order, among other things, provided for a statutory ten-day stay of proceedings in favour of BioSteel Canada (the "Stay of Proceedings") and appointed KSV Restructuring Inc. ("KSV") as the monitor of BioSteel Canada (in such capacity, the "Monitor").
2. BioSteel Canada, operating on an integrated basis with BioSteel Sports Nutrition USA LLC ("BioSteel US") and BioSteel Manufacturing LLC ("BioSteel Manufacturing"), was a sports nutrition and hydration company focused on high-quality ingredients with a strong presence in the professional sports market. BioSteel Canada, BioSteel US, and BioSteel Manufacturing are referred to herein as "BioSteel". The Stay of Proceedings under the Initial Order was also extended to BioSteel US and BioSteel Manufacturing.
3. On September 17, 2023, BioSteel Canada filed a petition for recognition of its CCAA Proceeding pursuant to Chapter 15 of Title 11 of the *United States Bankruptcy Code* (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "US Bankruptcy Court"). On October 11, 2023, the US Bankruptcy Court entered an order recognizing these CCAA proceedings as a foreign main proceeding under Chapter 15 of the Bankruptcy Code.



4. At a comeback hearing on September 21, 2023 (the “Comeback Hearing”), the Court granted:
  - a) an order (the “SISP Approval Order”) that, among other things, approved a sale and investment solicitation process in the form appended as Schedule “A” thereto (the “SISP”) to be conducted by BioSteel Canada, with the assistance of Greenhill & Co. Canada Ltd. (in such capacity, the “Financial Advisor”) and under the oversight of the Monitor; and
  - b) an Amended and Restated Initial Order (the “ARIO”) that, among other things:
    - extended the Stay of Proceedings to and including November 17, 2023; and
    - approved the retention of the Financial Advisor, *nunc pro tunc*, pursuant to an agreement dated August 24, 2023 between BioSteel Canada and the Financial Advisor (the “Greenhill Engagement Letter”) and granted a charge on BioSteel Canada’s property and assets in favour of the Financial Advisor to the maximum amount of USD\$2.5 million to secure the payment of a transaction fee (the “Transaction Fee”) payable under the Greenhill Engagement Letter (the “Transaction Fee Charge” and together with the Administration Charge and the Directors’ Charge, the “Charges”).
5. The SISP was carried out in accordance with its terms and culminated in two transactions:
  - a) a transaction (the “BioSteel Canada Transaction”) between BioSteel Canada and DC Holdings Ltd. d/b/a Coachwood Group of Companies (“DC Holdings”) pursuant to an Asset Purchase Agreement dated November 9, 2023 (the “BioSteel Canada Purchase Agreement”), for the sale of, among other things, certain inventory, intellectual property and related assets; and
  - b) a transaction (the “Manufacturing Transaction”, and together with the “BioSteel Canada Transaction, the “Transactions”) between BioSteel Manufacturing and Gregory Packaging Inc. (“GPI”) pursuant to an Asset Purchase Agreement dated November 9, 2023 (the “Manufacturing Purchase Agreement”), for the sale of substantially all of the assets of BioSteel Manufacturing, including equipment and inventory.
6. On November 16, 2023 the Court granted the following Orders:
  - i. an order (the “Ancillary Relief Order”) that, among other things:
    - added BioSteel Manufacturing and BioSteel US as applicants in these CCAA proceedings with such rights, protections, and obligations as are afforded to BioSteel Canada in these CCAA proceedings, and extending the Charges to the Property (each as defined in the ARIO) of BioSteel Manufacturing and BioSteel US (together with BioSteel Canada, the “Applicants”); and

- extended the Stay of Proceedings until and including January 31, 2024;
  - ii. an approval and vesting order in respect of the BioSteel Canada Transaction (the “BioSteel Canada AVO”) that, among other things:
    - approved the BioSteel Canada Transaction; and
    - upon closing, transferred and vested in DC Holdings, all of BioSteel Canada’s right, title and interest in and to the Purchased Assets (as defined in the BioSteel Canada Purchase Agreement) free and clear of and from any and all claims, liabilities, liens, and encumbrances; and
  - iii. an approval and vesting order in respect of the BioSteel Manufacturing Transaction (the “Manufacturing AVO”) that, among other things:
    - approved the BioSteel Manufacturing Transaction;
    - upon closing, transferred and vested in GPI, all of BioSteel Manufacturing’s right, title and interest in and to the Purchased Assets (as defined in the Manufacturing Purchase Agreement) free and clear of and from any and all claims, liabilities, liens, and encumbrances; and
    - assigned all rights and obligations of BioSteel Manufacturing in respect of the lease for industrial operating space in Verona, Virginia.
7. No objections having been filed by the objection deadline stipulated by the US Bankruptcy Court, on November 30, 2023, without the need for a hearing, the US Bankruptcy Court entered orders: (i) recognizing the Canadian proceedings of BioSteel Manufacturing and BioSteel US as foreign main proceedings and giving effect to the Ancillary Order in the United States, (ii) approving the BioSteel Canada Transaction, and (iii) approving the Manufacturing Transaction.
  8. On November 30, 2023, the Transactions closed. A Transaction Fee is payable to the Financial Advisor. In accordance with paragraph 8 of the Ancillary Relief Order, upon payment of the Transaction Fee to the Financial Advisor, the Transaction Fee Charge will be automatically terminated and released.
  9. The next steps in these CCAA proceedings are to: (i) seek the Court’s approval of a distribution of a portion of the net transaction proceeds realized from the Transactions and the Applicants’ cash on hand (the “Cash and Proceeds”) to the Applicants’ secured creditors; (ii) realize on the Applicants’ remaining assets (i.e. those that were excluded from the Transactions, including accounts receivable); and (iii) prepare to wind down the remaining business, and eventually bankrupt the Applicants.

## 1.1 Purposes of this Report

1. The purposes of this report (the “Third Report”) are to:
  - a) provide background information regarding the Applicants and these CCAA proceedings;
  - b) discuss the Applicants’ proposed distributions of Cash and Proceeds and any future realizations to its secured lenders;

- c) discuss the Applicants' request to enhance the Monitor's powers in these CCAA proceedings, and provide the Monitor's recommendation with respect to the foregoing;
- d) report on the Applicants' cash flow projection for the period December 11, 2023 to April 30, 2024 (the "Cash Flow Forecast");
- e) set out the Monitor's basis for its support of an extension of the Stay of Proceedings from January 31, 2024 until and including April 30, 2024;
- f) discuss correspondence with the Applicants' contract counterparties;
- g) discuss the Australian Inventory and the Korean Inventory (each as defined below);
- h) provide a status update with respect to certain issues that have arisen with certain of the Applicants' vendors and suppliers, and the efforts of the Applicants and the Monitor to resolve these issues; and provide the Monitor's recommendation that the Court issue an order in the form appended at Tab 3 to the Applicants' motion record (the "Distribution, Stay Extension and Expansion of Powers Order"), among other things:
  - authorizing BioSteel Canada, at such time or times as it determines appropriate, to make one or more distributions to its secured creditor, Canopy Growth Corporation ("Canopy"), subject to the terms set out in the proposed Distribution, Stay Extension and Expansion of Powers Order;
  - authorizing BioSteel Manufacturing and BioSteel US, at such time or times as it determines appropriate, to make one or more distributions to the Administrative Agent (as defined below), subject to the terms set out in the proposed Distribution, Stay Extension and Expansion of Powers Order;
  - granting the Monitor enhanced powers to direct the Applicants through the remaining post-closing activities; and
  - extending the Stay of Proceedings until and including April 30, 2024.

## 1.2 Restrictions

1. In preparing this Third Report, the Monitor has relied upon the Applicants' audited and unaudited financial information, books and records and discussions with the Applicants' management, their legal counsel (Cassels Brock & Blackwell LLP) and Financial Advisor.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Third Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.

- An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Third Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

### 1.3 Currency

- Unless otherwise noted, all currency references in this Third Report are in Canadian dollars.

## 2.0 Background

### 2.1 Overview

- The affidavit of Sarah Eskandari sworn September 13, 2023, in support of the CCAA application (the "First Eskandari Affidavit") provides background information with respect to the Applicants' business and operations, including the reasons for the commencement of these CCAA proceedings. Accordingly, that information is not repeated in this Third Report.
- BioSteel produced consumer products, including ready-to-drink sports drinks ("RTDs"), hydration mixes and supplements, which were available at retailers across Canada, the United States and online. Immediately prior to the commencement of these CCAA proceedings, each of BioSteel Canada, BioSteel US, and BioSteel Manufacturing placed its respective businesses into hibernation in order to limit operating costs during the SISP. Limited staff has remained at the expense of Canopy and its affiliate, throughout these CCAA proceedings in order to, among other things, support the SISP and the negotiation and closing of the Transactions, and allow the BioSteel entities to maintain limited operations in order to maintain enterprise value in support of the foregoing.
- Court materials, notices and other information relating to these proceedings, including the Eskandari Affidavits and the Reports of the Monitor, are available on the Monitor's website at the following link: [www.ksvadvisory.com/experience/case/biosteel](http://www.ksvadvisory.com/experience/case/biosteel). Copies of the Prefiling Report of the Proposed Monitor, First Report of the Monitor and Second Report of the Monitor (all without appendices) are also attached as Appendices "A", "B" and "C", respectively.

## 3.0 Proposed Distributions

### 3.1 Cash and Proceeds Available

- The cash balances for each of the Applicants as at December 7, 2023 is provided below:

<b>Cash and Proceeds Available (000's)</b>			
Entity	Cash balances	Proceeds from the Transactions	Total Cash and Proceeds
BioSteel Canada	CAD \$24,805	CAD \$10,000	<b>CAD \$34,805</b>
BioSteel US	USD \$ 3,372	USD \$ -	<b>USD \$3,372</b>
BioSteel Manufacturing	USD \$ 67	USD \$15,000	<b>USD \$15,067</b>

### 3.2 Canopy

1. BioSteel Canada is a borrower under a secured demand loan and credit facility (the “Secured Loan Facility”) with Canopy and its affiliate 11065220 Canada Inc. (“1106”), each as a co-lender (together, Canopy and 1106 being the “Lenders”), and Canopy as agent for the Lenders (in such capacity, the “Agent”), pursuant to a tenth amended and restated loan agreement dated as of July 13, 2023 (the “BioSteel Loan Agreement”). The obligations under the BioSteel Loan Agreement are secured by a tenth amended and restated general security agreement also dated as of July 13, 2023 by and between the Agent and BioSteel Canada (the “General Security Agreement”). Pursuant to the General Security Agreement, BioSteel Canada granted the Lenders a security interest in all right, title and interest in and to all of its real and personal or after-acquired property, subject to customary limited exclusions (the “BioSteel Loan Agreement Collateral”).
2. As of the Filing Date, the Lenders were owed approximately \$366 million, excluding interest and costs, under the BioSteel Loan Agreement.
3. The Monitor’s Canadian legal counsel, Bennett Jones LLP, has provided an Ontario law opinion to the Monitor that, subject to customary assumptions and qualifications, the security relating to the BioSteel Loan Agreement creates a validly perfected security interest in favour of the Agent in the BioSteel Loan Agreement Collateral.

### 3.3 Wilmington Trust

1. On March 18, 2021, Canopy and 1106, each as co-borrowers, entered into a credit agreement (the “Canopy Credit Agreement”), along with, among others, Wilmington Trust, National Association acting as administrative agent (in such capacity, the “Administrative Agent”) for the lenders (collectively, the “Lenders”) party to the Canopy Credit Agreement. Under the Canopy Credit Agreement, a USD\$750,000,000 term loan facility (the “Canopy Facility”) was established, and which Canopy advises was advanced in full on March 18, 2021. In connection with the Canopy Credit Agreement, on March 18, 2021, each of BioSteel US and BioSteel Manufacturing entered into a Guarantee Agreement, pursuant to which each of BioSteel US and BioSteel Manufacturing, jointly and severally with the other guarantors, unconditionally guaranteed the due and punctual payment and performance of the Obligations (as such term is defined in the Canopy Credit Agreement) to the Administrative Agent for the benefit of the Secured Parties (as defined in the Canopy Credit Agreement). In addition, each of BioSteel US and BioSteel Manufacturing, in their respective capacities as pledgors, entered into: (i) a Canadian Pledge and Security Agreement dated as of March 18, 2021 (as amended and supplemented from time to time, the “Canadian Security Agreement”) among Wilmington Trust, National Association, in its capacity as collateral agent (in such capacity, the “Collateral Agent”) for the Secured Parties, and each of the pledgors party thereto, including each of BioSteel US and BioSteel Manufacturing (collectively, the “Pledgors”), and (ii) a US Pledge and Security Agreement dated as of March 18, 2021 (as amended and supplemented from time to time, the “US Security Agreement” and together with the Canadian Security Agreement, the “Security Agreements”) among the Collateral Agent and certain of the Pledgors party thereto, including each of BioSteel US and BioSteel Manufacturing. Pursuant to the Security Agreements, each of BioSteel US and BioSteel Manufacturing granted a security interest in the personal property collateral specified therein (the “Canopy Credit Agreement Collateral”).

2. As at November 1, 2023, approximately USD\$430 million was owed in respect of the amounts advanced under the Canopy Credit Agreement.
3. The Monitor's U.S. legal counsel, K&L Gates LLP, provided an opinion under New York state law and Article 9 of the DE UCC to the Monitor that, subject to customary assumptions and qualifications, the security relating to the Canopy Credit Agreement creates a validly perfected security interest in favour of the Collateral Agent in the Canopy Credit Agreement Collateral.
4. Based on a search conducted in respect of BioSteel US and BioSteel Manufacturing under the *Personal Property Security Act* (Ontario) and in the State of Delaware under the Uniform Commercial Code ("DE UCC"), the only lien registrations identified were in favour of the Collateral Agent.

### 3.4 Distributions

1. The Applicants are seeking authorization to make one or more distributions to Canopy and the Administrative Agent, as the case may be, of the Cash and Proceeds and any future realizations, subject to retaining amounts satisfactory to the Monitor sufficient to pay any amounts secured by the Charges, the Transaction Fee Payment (as defined in the Ancillary Order), and the estimated costs of the ongoing administration of these CCAA proceedings and to wind-down the Applicants.
2. Distributions to Canopy and the Administrative Agent may be subject to additional upward adjustment and additional future distributions based on other recovery activities and the liquidation of any remaining monetizable assets.
3. The Monitor understands that the Applicants may seek a comfort letter or other written assurances from the relevant taxing authorities before making any distributions.

### 4.0 Monitor's Enhanced Powers

1. As a result of the closing of the Transactions, it is anticipated that the current directors of the Applicants will resign or have their terms end without extension. Accordingly, it is anticipated that the Applicants will be without a board of directors or officers.
2. Given the anticipated vacancies, in addition to the Monitor's powers and duties as set out in the ARIO or otherwise granted pursuant to a Court order in these CCAA proceedings, the Distribution, Stay Extension and Expansion of Powers Order contemplates enhancing the Monitor's powers (the "Enhanced Powers"), to enable the Monitor to exercise any powers which would typically be exercised by a director or officer of the Applicants. The Enhanced Powers would, among other things, cause the Applicants, through the Applicants' Assistants (as defined in the ARIO) to, *inter alia*:
  - a) take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Applicants in order to facilitate the performance of any of the Applicants' powers or obligations, including, without limitation, as contemplated by the Transactions (including post-closing matters) or any Order of this Court;



- b) engage, retain, or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, or other persons or entities engaged or retained pursuant to this paragraph shall thereafter be deemed to be an Assistant under the ARIO;
  - c) perform such other functions or duties, and enter into any agreements or incur any obligations, as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down of the Applicants, the realization and/or sale of all of the Applicants' remaining assets and undertakings not transferred pursuant to the BioSteel Canada Approval and Vesting Order and the Manufacturing Approval and Vesting Order, authorizing the distribution of any net proceeds of the Transactions and/or the Remaining Property, or any other related activities, including, without limitation, in connection with terminating these CCAA proceedings;
  - d) exercise any rights of the Applicants;
  - e) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Applicants, any of the Applicants' remaining assets and undertakings not transferred pursuant to the BioSteel Canada Approval and Vesting Order and the Manufacturing Approval and Vesting Order, or the Cash and Proceeds of the Applicants;
  - f) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Applicants that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Applicants (which may be a representative of the Monitor) for such purposes;
  - g) claim any and all insurance refunds or tax refunds to which the Applicants are entitled on behalf of the Applicants;
  - h) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Applicants, (i) any tax returns, and (ii) the Applicants' employee-related remittances, T4 statements and records of employments for the Applicants' former employees, in either case, based solely upon the information in the Applicants' books and records and on the basis that the Monitor shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents; and
  - i) take any steps reasonably incidental to the exercise by the Monitor of the powers listed above or the performance of any statutory obligations.
3. In the absence of any directors and officers of the Applicants, the Monitor is of the view that the Enhanced Powers are necessary and will help to maximize cost efficiencies for the benefit of the Applicants' creditors. As such, the Monitor views the granting of the Enhanced Powers as reasonable and appropriate in the circumstances.

## 5.0 Cash Flow Forecast

1. The Applicants, with the assistance of the Monitor, have prepared the Cash Flow Forecast for the period December 11, 2023 to April 30, 2024 (the “Forecast Period”). The Cash Flow Forecast has been prepared for all of the Applicants on a consolidated basis. The Cash Flow Forecast and the Applicants’ statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as Appendix “D”.
2. The Cash Flow Forecast contemplates that BioSteel will continue skeleton operations in connection with the liquidation of any monetizable assets and that the remaining operations are wound down thereafter. Any potential distributions have been excluded from the Cash Flow Forecast pending the Distribution, Stay Extension and Expansion of Powers Order being granted by this Court.
3. The Cash Flow Forecast reflects that the Applicants will have sufficient liquidity through the Forecast Period.
4. Based on the Monitor’s review of the Cash Flow Forecast, the cash flow assumptions appear reasonable.
5. The Monitor’s statutory report on the Cash Flow Forecast is attached as Appendix “E”.

## 6.0 Stay Extension

1. The Stay of Proceedings is currently set to expire on January 31, 2024. The Applicants are requesting an extension of the Stay of Proceedings until and including April 30, 2024 to allow time for the Applicants to realize on any remaining monetizable assets, collect on any remaining accounts receivable, and conduct a wind-down of their remaining business.
2. The Monitor supports the request for an extension of the Stay of Proceedings for the following reasons:
  - a) the Applicants have been acting, and continue to act, in good faith and with due diligence;
  - b) the Monitor does not believe that any creditor will be prejudiced by the extension being sought;
  - c) it will provide the Applicants the time required to liquidate any remaining monetizable assets;
  - d) as of the date of this Report, the Monitor is not aware of any party opposed to the proposed extension; and
  - e) based on the Cash Flow Forecast, the Applicants are projected to have sufficient liquidity until April 30, 2024.



## **7.0 Other matters**

### **7.1 Correspondence with Contract Counterparties**

1. On December 1, 2023, BioSteel Canada issued a notice of disclaimer to its landlord in respect of the office lease for its Toronto office space as the lease was not an “assumed contract” under any of the Transactions.
2. With respect to the Applicants’ other contracts, on December 6, 2023, the Applicants, with the consent of the Monitor, delivered a letter to substantially all of their contract counterparties, confirming that the applicable BioSteel entities would not perform their contractual obligations under the applicable agreements, the counterparty was free to terminate the contract, and such party would be given the opportunity to submit a proof of claim if a claims process is conducted. The letters were not delivered to counterparties whose contracts were assumed pursuant to the Transactions or vendors whose services are expected to be necessary to complete these CCAA proceedings. In the Monitor’s view, the correspondence delivered was appropriate as the Applicants have no ability to perform under the contracts and there is no anticipated recovery for unsecured creditors.

### **7.2 Coldhaus Dispute**

1. Coldhaus Direct Inc. (formerly Coldhaus Distribution Inc.) (“Coldhaus”) was a provider of warehousing and distribution services to BioSteel pursuant to a Distribution Agreement dated as of January 27, 2021, as amended, and a Warehouse Fulfillment Agreement dated as of February 10, 2021, as amended. On the warehousing side of the business, BioSteel would pay Coldhaus to provide storage, packing and shipping of BioSteel-owned finished product to various retailers and other outlets. On the distribution side, Coldhaus would purchase finished product from BioSteel and had the right to sell such products as a non-exclusive distributor for specified trade channels defined in the Distribution Agreement as the “Territory”.
2. Based on the records of BioSteel, and the records disclosed to BioSteel and the Monitor by Coldhaus to date, a considerable balance remains due and payable to BioSteel for products purchased by Coldhaus pursuant to the Distribution Agreement. BioSteel and the Monitor have been working with Coldhaus for several weeks to reconcile final balances and recover this receivable for the benefit of BioSteel’s estate. However, the parties have not been able to come to a consensual agreement at this time. Given the protracted nature of these discussions, BioSteel and/or the Monitor may be required to seek the Court’s direction in resolving this matter.

### **7.3 Australian Inventory**

1. During these CCAA proceedings, the Applicants made the Monitor aware of certain RTD inventory which was being held at a storage facility in Australia (the “Australian Inventory”). The Australian Inventory was originally sent to Australia to satisfy a pre-filing customer order with an Australian-based international distributor, Billie Bob International.

2. The Monitor was advised that, prior to the commencement of these CCAA proceedings, the sale to Billie Bob International was not completed, resulting in the Australian Inventory sitting idle in international storage. As a result, the Australian Inventory has continued to generate both pre-filing and post-filing international storage fees.
3. The Applicants have advised the Monitor that (a) the Australian Inventory has between 12 and 15 months of shelf life remaining, (b) any sale of the inventory would require consent from Billie Bob International, since the packaging uses Billie Bob International's name and address, and (c) the Applicants are uncertain about the merchantability of the Australian Inventory and whether it is safe for consumption given the length of time and conditions under which it has been in storage. Accordingly, it is unclear to the Monitor whether it would be permitted under Australian law to sell the Australian Inventory into the Australian market. In light of these circumstances, the Applicants have informed the Monitor that they intend on destroying the Australian Inventory.
4. Given the uncertainty with respect to the Australian Inventory, the Australian Inventory was designated as an excluded asset in the BioSteel Canada Transaction. As of this Third Report, the Monitor continues to engage with the Applicants and the international storage vendor with respect to destruction of the Australian Inventory.

#### 7.4 Korean Inventory

1. On December 5, 2023, BioSteel received a letter from Omni Logistics ("Omni") advising that there is certain RTDs inventory detained at a portside facility in South Korea (the "Korean Inventory"). The letter further detailed that the Korean Inventory had expired in March 2023, and asked for BioSteel's direction to confirm whether Omni could proceed with proper disposal.
2. As the Korean Inventory was long past expiry and unsaleable, the Monitor consented to the Applicants authorizing that a proper disposal take place. Accordingly, on December 7, 2023, BioSteel informed Omni to proceed with disposing of the Korean Inventory.

### 8.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the Distribution, Stay Extension and Expansion of Powers Order.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
IN ITS CAPACITY AS MONITOR OF  
BIOSTEEL SPORTS NUTRITION INC.,  
BIOSTEEL SPORTS NUTRITION USA LLC,  
AND BIOSTEEL MANUFACTURING LLC  
AND NOT IN ITS PERSONAL CAPACITY**



February 17, 2024

**Fourth Report of  
KSV Restructuring Inc.  
as CCAA Monitor of  
BioSteel Sports Nutrition Inc.,  
BioSteel Manufacturing LLC, and  
BioSteel Sports Nutrition USA LLC**

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## Appendices

### Appendix

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Court File No.: CV-23-00706033-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING  
LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

FOURTH REPORT OF KSV RESTRUCTURING INC.

February 17, 2024

## 1.0 Introduction

1. Pursuant to an order (the "Initial Order") issued by the Ontario Superior Court of Justice (Commercial List) (the "Court") on September 14, 2023 (the "Filing Date"), BioSteel Sports Nutrition Inc. ("BioSteel Canada") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). The Initial Order, among other things, provided for a statutory ten-day stay of proceedings in favour of BioSteel Canada (the "Stay of Proceedings") and appointed KSV Restructuring Inc. as the monitor of BioSteel Canada (in such capacity, the "Monitor").
2. BioSteel Canada, operating on an integrated basis with BioSteel Sports Nutrition USA LLC ("BioSteel US") and BioSteel Manufacturing LLC ("BioSteel Manufacturing"), was a sports nutrition and hydration company focused on high-quality ingredients with a strong presence in the professional sports market. The Stay of Proceedings under the Initial Order was also extended to BioSteel US and BioSteel Manufacturing.
3. On September 17, 2023, BioSteel Canada filed a petition for recognition of its CCAA proceeding pursuant to Chapter 15 of Title 11 of the *United States Bankruptcy Code* (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "US Bankruptcy Court"). On October 11, 2023, the US Bankruptcy Court entered an order recognizing these CCAA proceedings as a foreign main proceeding under Chapter 15 of the Bankruptcy Code.

4. Following a comeback hearing on September 21, 2023, the Court issued:
  - a) an order that, among other things, approved a sale and investment solicitation process in the form appended as Schedule “A” thereto (the “SISP”) to be conducted by BioSteel Canada, with the assistance of Greenhill & Co. Canada Ltd. (in such capacity, the “Financial Advisor”) and under the oversight of the Monitor; and
  - b) an Amended and Restated Initial Order (the “ARIO”) that, among other things:
    - extended the Stay of Proceedings to and including November 17, 2023; and
    - approved the retention of the Financial Advisor, *nunc pro tunc*, pursuant to an agreement dated August 24, 2023 between BioSteel Canada and the Financial Advisor (the “Greenhill Engagement Letter”) and granted a charge on BioSteel Canada’s property and assets in favour of the Financial Advisor to the maximum amount of US \$2.5 million to secure the payment of a transaction fee (the “Transaction Fee”) payable under the Greenhill Engagement Letter (the “Transaction Fee Charge” and together with the “Administration Charge” and “Directors’ Charge” granted under the Initial Order and amended pursuant to the ARIO, the “Charges”).
5. The SISP was carried out in accordance with its terms and culminated in two transactions:
  - a) a transaction (the “BioSteel Canada Transaction”) between BioSteel Canada and DC Holdings Ltd. d/b/a Coachwood Group of Companies (“DC Holdings”) pursuant to an Asset Purchase Agreement dated November 9, 2023 (the “BioSteel Canada Purchase Agreement”), for the sale of, among other things, certain inventory, intellectual property and related assets; and
  - b) a transaction (the “Manufacturing Transaction”, and together with the “BioSteel Canada Transaction, the “Transactions”) between BioSteel Manufacturing and Gregory Packaging Inc. (“GPI”) pursuant to an Asset Purchase Agreement dated November 9, 2023 (the “Manufacturing Purchase Agreement”), for the sale of substantially all of the assets of BioSteel Manufacturing, including equipment and inventory.
6. On November 16, 2023, the Court issued the following Orders:
  - a) an order that, among other things:
    - added BioSteel Manufacturing and BioSteel US as applicants in these CCAA proceedings with such rights, protections, and obligations as are afforded to BioSteel Canada in these CCAA proceedings, and extending the Charges to the Property (as defined in the ARIO) of BioSteel Manufacturing and BioSteel US (together with BioSteel Canada, the “Applicants”); and

- extended the Stay of Proceedings until and including January 31, 2024;
- b) an approval and vesting order in respect of the BioSteel Canada Transaction (the “BioSteel Canada AVO”) that, among other things:
- approved the BioSteel Canada Transaction; and
  - upon closing, transferred and vested in DC Holdings all of BioSteel Canada’s right, title and interest in and to the Purchased Assets (as defined in the BioSteel Canada Purchase Agreement) free and clear of and from any and all claims, liabilities, liens, and encumbrances; and
- c) an approval and vesting order in respect of the Manufacturing Transaction (the “BioSteel Manufacturing AVO”) that, among other things:
- approved the Manufacturing Transaction;
  - upon closing, transferred and vested in GPI, all of BioSteel Manufacturing’s right, title and interest in and to the Purchased Assets (as defined in the Manufacturing Purchase Agreement) free and clear of and from any and all claims, liabilities, liens, and encumbrances; and
  - assigned all rights and obligations of BioSteel Manufacturing in respect of the lease for industrial operating space in Verona, Virginia.
7. On November 30, 2023, the US Bankruptcy Court entered the following orders:
- a) an order recognizing the CCAA proceedings of BioSteel US and BioSteel Manufacturing as foreign main proceedings and giving full force and effect to all prior orders of the Court in the United States;
- b) an order recognizing and enforcing the BioSteel Canada AVO, including approving and authorizing all terms of the BioSteel Canada Purchase Agreement and all transactions contemplated thereby; and
- c) an order recognizing and enforcing the BioSteel Manufacturing AVO, including approving and authorizing all terms of the Manufacturing Purchase Agreement and all transactions contemplated thereby.
8. On November 30, 2023, following the granting of the orders by the US Bankruptcy Court, the Transactions closed in accordance with the terms of the respective purchase agreements (the “Closing Date”).
9. On December 14, 2023 the Court issued an order (the “Distribution and Enhanced Powers Order”), among other things:

- a) authorizing BioSteel Canada, at such time or times as it determines appropriate, to make one or more distributions to its secured creditor, Canopy Growth Corporation (“Canopy”), subject to the terms of the order;
  - b) authorizing BioSteel Manufacturing and BioSteel US, at such time or times as it determines appropriate, to make one or more distributions to the Administrative Agent (as defined therein), subject to the terms of the order;
  - c) granting the Monitor enhanced powers to direct the Applicants through the remaining post-closing activities, including the ability to enter into agreements on behalf of the Applicants for the realization and/or sale of all of the Applicants’ remaining assets and undertakings; and
  - d) extending the Stay of Proceedings until and including April 30, 2024.
10. On December 22, 2023, the US Bankruptcy Court entered an order recognizing and enforcing the Distribution and Enhanced Powers Order.
11. The remaining steps in these CCAA proceedings are to: (i) complete sales for the remaining inventory that was not subject to the BioSteel Canada Transaction or the Manufacturing Transaction; (ii) distribute all remaining cash to the Applicants’ ranking secured creditor; and (iii) wind down the remaining business.

### **1.1 Purposes of this Report**

1. The purposes of this report (the “Fourth Report”) are to:
- a) provide background information regarding the Applicants and these CCAA proceedings;
  - b) provide a status update with respect to certain issues and the efforts of the Applicants and the Monitor to resolve these issues; and
  - c) provide the Monitor’s recommendation that the Court issue an order (the “Remaining Inventory Sale Transaction Order”), among other things, authorizing the Monitor, on behalf of BioSteel Canada, to sell its remaining US inventory to BioSteel Sports Inc., an entity related to DC Holdings, pursuant to the Remaining Inventory Sale Agreement, and approving the Remaining Inventory Sale Agreement and the Remaining Inventory Sale Transaction (each as defined below).

### **1.2 Restrictions**

1. In preparing this Fourth Report, the Monitor has relied upon the Applicants’ audited and unaudited financial information, books and records and discussions with the Applicants’ management, their legal counsel (Cassels Brock & Blackwell LLP) and Financial Advisor.



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

### 1.3 Currency

1. Unless otherwise noted, all currency references in this Fourth Report are in Canadian dollars.

## 2.0 Background

### 2.1 Overview

1. The affidavit of Sarah Eskandari sworn September 13, 2023, in support of the CCAA application provides background information with respect to the Applicants’ business and operations, including the reasons for the commencement of these CCAA proceedings. Accordingly, that information is not repeated in this Fourth Report.
2. BioSteel produced consumer products, including ready-to-drink sports drinks (“RTDs”), hydration mixes and supplements, which were available at retailers across Canada, the United States and online. Immediately prior to the commencement of these CCAA proceedings, each of BioSteel Canada, BioSteel US, and BioSteel Manufacturing placed its respective businesses into hibernation in order to limit operating costs during the SISP. Limited staff has remained at the expense of Canopy and its affiliate throughout these CCAA proceedings in order to, among other things, support the SISP and the negotiation and closing of the Transactions, and allow the BioSteel entities to maintain limited operations in order to maintain enterprise value in support of the foregoing and dispose of the remaining assets post closing.
3. Court materials, notices and other information relating to these proceedings, including the materials filed by the Applicants and the Reports of the Monitor, are available on the Monitor’s website at the following link: [www.ksvadvisory.com/experience/case/biosteel](http://www.ksvadvisory.com/experience/case/biosteel).

## 3.0 Sales of Excluded Inventory

1. Pursuant to the BioSteel Canada Transaction, DC Holdings purchased, among other things, BioSteel Canada’s intangible assets, intellectual property, formulas and recipes, certain specified fixed assets, furniture and fixtures, and all of BioSteel Canada’s inventory, except for Excluded Inventory (which is defined as finished goods inventory, excluding non-consumable merchandise, owned by BioSteel Canada that is packaged and immediately available for sale as of the Closing Date and located in the United States). The treatment of the Excluded Inventory with a shelf life of greater than 19 months from the Closing Date that was not subject to any encumbrance (the “Qualified Inventory”) is subject to section 5.7 of the BioSteel Canada Purchase Agreement, which provides in relevant part:

- a) at any time from the Closing Date until 120 days following the Closing Date (the “Sale Period”), DC Holdings shall have the exclusive right to sell the Qualified Inventory on behalf of BioSteel Canada through BioSteel Canada’s distribution channels at a price that may be agreed to in writing by BioSteel Canada and DC Holdings. In these circumstances, DC Holdings is entitled to a fee of 10% of the net sales in respect of the Qualified Inventory; and
  - b) on or prior to the end of the Sale Period, DC Holdings shall have the right to acquire any of the Qualified Inventory that was not sold in accordance with the above.
2. The BioSteel Canada Purchase Agreement also provides in section 5.8 that BioSteel Canada is permitted to sell any Excluded Inventory that is not Qualified Inventory (the “Unqualified Inventory”) from and after the Closing Date in its sole and absolute discretion, provided that such inventory would not be sold to consumers located in Canada or to wholesalers for purposes of resale in Canada. A copy of the BioSteel Canada Purchase Agreement is attached hereto at Appendix “A”.
3. Since the Closing Date, BioSteel Canada, with the oversight of the Monitor, has continued its online sales of the remaining Excluded Inventory in the ordinary course. In accordance with the BioSteel Canada Purchase Agreement and the Distribution and Enhanced Powers Order, which authorizes the Monitor to execute agreements on behalf of the Applicants, the Monitor, on behalf of BioSteel Canada, has also entered into certain “spot sale agreements” that contemplate the sale of all of the remaining Excluded Inventory. Specifically, since the Closing Date:
  - a) BioSteel Canada, with the oversight of the Monitor, has completed various online sales of Excluded Inventory with an aggregate value of approximately US \$396,000;
  - b) the Monitor, on behalf of BioSteel Canada, has entered into six incremental sale agreements between December 22, 2023 to February 16, 2024 contemplating the sale of certain Unqualified Inventory to three third parties with an aggregate value of approximately US \$590,587 (the “Incremental Sale Agreements” and the transactions contemplated thereby the “Incremental Sale Transactions”); and
  - c) the Monitor, on behalf of BioSteel Canada, has entered into an agreement dated February 16, 2024 contemplating the sale of all remaining Excluded Inventory (including Qualified and Unqualified Inventory) owned by BioSteel Canada and not sold pursuant to the Incremental Sale Transactions above for US \$1,160,811, plus applicable HST, to BioSteel Sports Inc., an entity affiliated with DC Holdings (the “Remaining Inventory Sale Agreement” and the transaction contemplated therein, the “Remaining Inventory Sale Transaction”). The purchaser, BioSteel Sports Inc., has provided the Monitor with proof of funding in respect of this transaction. The Remaining Inventory Sale Agreement contemplates payment occurring within two business days of Court approval. A copy of the Remaining Inventory Sale Agreement is attached hereto at Appendix “B”.
4. The online sales, the Incremental Sale Transactions and the Remaining Inventory Sale Transaction achieve incremental value for BioSteel Canada’s estate following the closing of the BioSteel Canada Transaction. These transactions represent the

best value for the Excluded Inventory in the circumstances following approximately two and half months of additional marketing, discussions and negotiations by the Monitor on behalf of BioSteel Canada. Once the Remaining Inventory Sale Transaction is completed, all of the Excluded Inventory will be sold, which will result in the saving of storage and destruction costs going forward for BioSteel Canada and will allow the Monitor to significantly advance the wind down of the Applicants' remaining business.

5. Paragraph 12(a) of the ARIO provides that the Applicants may only dispose of redundant or non-material assets not exceeding CAD \$500,000 in any one transaction or CAD \$2,000,000 in the aggregate. Given that the Incremental Sale Agreements do not, individually or in the aggregate, exceed either of the thresholds in the ARIO, the Monitor is of the view that Court approval was not and is not required. However, the Remaining Inventory Sale Agreement results in the CAD \$500,000 single transaction threshold provided in the ARIO being exceeded, and if included together with the Incremental Sale Agreements, would result in the CAD \$2,000,000 aggregate transaction threshold being exceeded.
6. While the sales of the Qualified Inventory and Unqualified Inventory were approved in the BioSteel Canada AVO, the BioSteel Canada Asset Purchase Agreement did not dictate the consideration to be paid for the inventory. Given the sale thresholds in the ARIO are exceeded in respect of the Remaining Inventory Sale Transaction, the Monitor is seeking this Court's authorization to sell the remaining Excluded Inventory on behalf of BioSteel Canada, and approval of the Remaining Inventory Sale Transaction. The Monitor is supportive of the Remaining Inventory Sale Agreement as: (i) the Remaining Inventory Sale Transaction, together with the online sales and the Incremental Sale Transactions, achieve the best value for the Excluded Inventory in the circumstances; (ii) the Remaining Inventory Sale Transaction is supported by Canopy and its affiliate, being the only stakeholders with an economic interest in these CCAA proceedings; (iii) the Remaining Inventory Sale Transaction is permissible under the BioSteel Canada Purchase Agreement as the BioSteel Canada Purchase Agreement contemplated that DC Holdings could purchase the remaining Qualified Inventory, and that any party can purchase the Unqualified Inventory; (iv) completion of the Remaining Inventory Sale Transaction will expedite the wind down of the Applicants' business; and (v) the Monitor believes that the approval of the Remaining Inventory Sale Transaction is in the best interests of the Applicants and their stakeholders, and does not believe any stakeholder is prejudiced by such approval.
7. The Monitor intends to serve this motion on all of the warehouses currently holding the remaining inventory.

## **4.0 Other matters**

### **4.1 Coldhaus Dispute**

1. As described in the Monitor's Third Report dated December 12, 2023 (the "Third Report"), Coldhaus Direct Inc. (formerly Coldhaus Distribution Inc.) ("Coldhaus") is a provider of warehousing and distribution services to BioSteel pursuant to a distribution agreement dated January 27, 2021, as amended (the "Distribution Agreement"), and a warehouse fulfillment agreement dated as of February 10, 2021, as amended (the "Warehouse Fulfillment Agreement"). On the warehousing side of the business, BioSteel would pay Coldhaus to provide storage, packing and shipping of BioSteel-

owned finished product to various retailers and other outlets. On the distribution side, Coldhaus would purchase finished product from BioSteel and had the right to sell such products as a non-exclusive distributor for specified trade channels defined in the Distribution Agreement as the “Territory”.

2. On January 31, 2024, the Monitor’s legal counsel served a Notice of Motion seeking an order, among other things:
  - a) declaring that ColdHaus is liable to BioSteel Canada in the amount of \$7,292,800 in relation to amounts that are due and payable to BioSteel Canada in connection with the Warehouse Fulfillment Agreement and the Distribution Agreement arranged during the pre-filing period;
  - b) directing ColdHaus to pay such amount to BioSteel Canada within five (5) business days; and
  - c) directing that ColdHaus pay the legal costs and other expenses of the Monitor and the Applicants incurred in connection with their dealings with ColdHaus in relation to these matters, on a substantial indemnity basis or other appropriate scale.
3. The Monitor is not seeking to schedule a hearing in respect of the ColdHaus Notice of Motion at this time, but may do so at a later date should a consensual path not be viable.

#### **4.2 Australian Inventory**

1. As described in more detail in the Third Report, during these CCAA proceedings, the Applicants made the Monitor aware of certain RTD inventory which was being held at a storage facility in Australia (the “Australian Inventory”). Due to the aged and potentially contaminated state of the Australian Inventory, and the potential for liability related to distribution of the inventory through a liquidator, the Applicants informed the Monitor that they intended to destroy the Australian Inventory. The Applicants advised that the Australian Inventory had no value and required the Applicants to incur average storage costs of approximately US \$12,729 per month (based on the last three months).
2. Subsequent to the Third Report, the Monitor directed the storage facility to destroy the remaining Australian Inventory to prevent the incurrence of continued storage and warehousing fees. On February 13, 2023, the Monitor was informed by the storage facility that payment for the destruction had been received and action had been taken to advance destruction of the Australian Inventory.

## 5.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the Remaining Inventory Sale Transaction Order.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
IN ITS CAPACITY AS MONITOR OF  
BIOSTEEL SPORTS NUTRITION INC.,  
BIOSTEEL MANUFACTURING LLC,  
AND BIOSTEEL SPORTS NUTRITION USA LLC  
AND NOT IN ITS PERSONAL CAPACITY**



March 11, 2024

**Fifth Report of  
KSV Restructuring Inc.  
as CCAA Monitor of  
BioSteel Sports Nutrition Inc.,  
BioSteel Manufacturing LLC, and  
BioSteel Sports Nutrition USA LLC**



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Court File No.: CV-23-00706033-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING  
LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

FIFTH REPORT OF KSV RESTRUCTURING INC.

March 11, 2024

## 1.0 Introduction

1. Pursuant to an order (the "Initial Order") issued by the Ontario Superior Court of Justice (Commercial List) (the "Court") on September 14, 2023 (the "Filing Date"), BioSteel Sports Nutrition Inc. ("BioSteel Canada") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). The Initial Order, among other things, provided for a statutory ten-day stay of proceedings in favour of BioSteel Canada (the "Stay of Proceedings") and appointed KSV Restructuring Inc. as the monitor of BioSteel Canada (in such capacity, the "Monitor").
2. BioSteel Canada, operating on an integrated basis with BioSteel Sports Nutrition USA LLC ("BioSteel US") and BioSteel Manufacturing LLC ("BioSteel Manufacturing"), was a sports nutrition and hydration company focused on high-quality ingredients with a strong presence in the professional sports market. The Stay of Proceedings under the Initial Order was also extended to BioSteel US and BioSteel Manufacturing.
3. On September 17, 2023, BioSteel Canada filed a petition for recognition of its CCAA proceeding pursuant to Chapter 15 of Title 11 of the *United States Bankruptcy Code* (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "US Bankruptcy Court"). On October 11, 2023, the US Bankruptcy Court entered an order recognizing these CCAA proceedings as a foreign main proceeding under Chapter 15 of the Bankruptcy Code.



4. Following a comeback hearing on September 21, 2023, the Court issued:
  - a) an order that, among other things, approved a sale and investment solicitation process in the form appended as Schedule “A” thereto (the “SISP”) to be conducted by BioSteel Canada, with the assistance of Greenhill & Co. Canada Ltd. (in such capacity, the “Financial Advisor”) and under the oversight of the Monitor; and
  - b) an Amended and Restated Initial Order (the “ARIO”) that, among other things:
    - extended the Stay of Proceedings to and including November 17, 2023; and
    - approved the retention of the Financial Advisor, *nunc pro tunc*, pursuant to an agreement dated August 24, 2023 between BioSteel Canada and the Financial Advisor (the “Greenhill Engagement Letter”) and granted a charge on BioSteel Canada’s property and assets in favour of the Financial Advisor to the maximum amount of US \$2.5 million to secure the payment of a transaction fee (the “Transaction Fee”) payable under the Greenhill Engagement Letter (the “Transaction Fee Charge” and together with the “Administration Charge” and “Directors’ Charge” granted under the Initial Order and amended pursuant to the ARIO, the “Charges”).
5. The SISP was carried out in accordance with its terms and culminated in two transactions:
  - a) a transaction (the “BioSteel Canada Transaction”) between BioSteel Canada and DC Holdings Ltd. d/b/a Coachwood Group of Companies (“DC Holdings”) pursuant to an Asset Purchase Agreement dated November 9, 2023 (the “BioSteel Canada Purchase Agreement”), for the sale of, among other things, certain inventory, intellectual property and related assets; and
  - b) a transaction (the “Manufacturing Transaction”, and together with the “BioSteel Canada Transaction, the “Transactions”) between BioSteel Manufacturing and Gregory Packaging Inc. (“GPI”) pursuant to an Asset Purchase Agreement dated November 9, 2023 (the “Manufacturing Purchase Agreement”), for the sale of substantially all of the assets of BioSteel Manufacturing, including equipment and inventory.
6. On November 16, 2023, the Court issued the following Orders:
  - a) an order that, among other things:
    - added BioSteel Manufacturing and BioSteel US as applicants in these CCAA proceedings with such rights, protections, and obligations as are afforded to BioSteel Canada in these CCAA proceedings, and extending the Charges to the Property (as defined in the ARIO) of BioSteel Manufacturing and BioSteel US (together with BioSteel Canada, the “Applicants”); and
    - extended the Stay of Proceedings until and including January 31, 2024;

- b) an approval and vesting order in respect of the BioSteel Canada Transaction (the “BioSteel Canada AVO”) that, among other things:
    - approved the BioSteel Canada Transaction; and
    - upon closing, transferred and vested in DC Holdings all of BioSteel Canada’s right, title and interest in and to the Purchased Assets (as defined in the BioSteel Canada Purchase Agreement) free and clear of and from any and all claims, liabilities, liens, and encumbrances; and
  - c) an approval and vesting order in respect of the Manufacturing Transaction (the “BioSteel Manufacturing AVO”) that, among other things:
    - approved the Manufacturing Transaction;
    - upon closing, transferred and vested in GPI, all of BioSteel Manufacturing’s right, title and interest in and to the Purchased Assets (as defined in the Manufacturing Purchase Agreement) free and clear of and from any and all claims, liabilities, liens, and encumbrances; and
    - assigned all rights and obligations of BioSteel Manufacturing in respect of the lease for industrial operating space in Verona, Virginia.
7. On November 30, 2023, the US Bankruptcy Court entered the following orders:
- a) an order recognizing the CCAA proceedings of BioSteel US and BioSteel Manufacturing as foreign main proceedings and giving full force and effect to all prior orders of the Court in the United States;
  - b) an order recognizing and enforcing the BioSteel Canada AVO, including approving and authorizing all terms of the BioSteel Canada Purchase Agreement and all transactions contemplated thereby; and
  - c) an order recognizing and enforcing the BioSteel Manufacturing AVO, including approving and authorizing all terms of the Manufacturing Purchase Agreement and all transactions contemplated thereby.
8. On November 30, 2023, following the granting of the orders by the US Bankruptcy Court, the Transactions closed in accordance with the terms of the respective purchase agreements (the “Closing Date”).
9. On December 14, 2023, the Court issued an order (the “Distribution and Enhanced Powers Order”), among other things:
- a) authorizing BioSteel Canada, at such time or times as it determines appropriate, to make one or more distributions to its secured creditor, Canopy Growth Corporation (“Canopy”), subject to the terms of the order;
  - b) authorizing BioSteel Manufacturing and BioSteel US, at such time or times as it determines appropriate, to make one or more distributions to the Administrative Agent (as defined therein), subject to the terms of the order;

- c) granting the Monitor enhanced powers to direct the Applicants through the remaining post-closing activities, including the ability to enter into agreements on behalf of the Applicants for the realization and/or sale of all of the Applicants' remaining assets and undertakings and the ability to initiate or prosecute any proceedings with respect to the Applicants; and
  - d) extending the Stay of Proceedings until and including April 30, 2024.
10. A copy of the Distribution and Enhanced Powers Order is attached hereto as Appendix "A".
  11. On December 22, 2023, the US Bankruptcy Court entered an order recognizing and enforcing the Distribution and Enhanced Powers Order.
  12. On February 23, 2024, the Court issued an order authorizing the Monitor to sell all remaining inventory, that was excluded from the BioSteel Canada Transaction, to BioSteel Sports Inc., an entity affiliated with DC Holdings (the "Remaining Inventory Sale Transaction"). The Remaining Inventory Sale Transaction closed on March 1, 2024.
  13. With all assets divested pursuant to various orders by this Court, the remaining steps in these CCAA proceedings are to: (i) address the disputed amounts owed to BioSteel Canada by Coldhaus Direct Inc. (formerly Coldhaus Distribution Inc.) ("Coldhaus"); (ii) distribute all remaining cash to the Applicants' ranking secured creditor; and (iii) wind down the remaining business.

## **1.1 Purposes of this Report**

1. The purposes of this report (the "Fifth Report") are to:
  - a) provide background information regarding the Applicants and these CCAA proceedings;
  - b) provide an update with respect to the Monitor's efforts to resolve and collect on disputed amounts owed to BioSteel Canada by Coldhaus; and
  - c) provide the Monitor's recommendation that the Court order Coldhaus to pay outstanding accounts receivable due and properly owed to BioSteel Canada.

## **1.2 Restrictions**

1. In preparing this Fifth Report, the Monitor has relied upon the Applicants' audited and unaudited financial information, books and records and discussions with the Applicants' management, their legal counsel (Cassels Brock & Blackwell LLP) and Financial Advisor.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Fifth Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.

### 1.3 Currency

1. Unless otherwise noted, all currency references in this Fifth Report are in Canadian dollars.

## 2.0 Background

### 2.1 Overview

1. The affidavit of Sarah Eskandari sworn September 13, 2023, in support of the CCAA application provides background information with respect to the Applicants' business and operations, including the reasons for the commencement of these CCAA proceedings. Accordingly, that information is not repeated in this Fifth Report.
2. The Applicants produced consumer products, including ready-to-drink sports drinks ("RTDs"), hydration mixes and supplements, which were available at retailers across Canada, the United States and online. Immediately prior to the commencement of these CCAA proceedings, the Applicants placed their respective businesses into hibernation in order to limit operating costs during the SISP. Limited staff have remained at the expense of Canopy and its affiliate throughout these CCAA proceedings in order to, among other things, support the SISP and the negotiation and closing of the Transactions, and allow the BioSteel entities to maintain limited operations in order to maintain enterprise value in support of the foregoing and dispose of the remaining assets post closing.
3. Court materials, notices and other information relating to these proceedings, including the materials filed by the Applicants and the Reports of the Monitor, are available on the Monitor's website at the following link: [www.ksvadvisory.com/experience/case/biosteel](http://www.ksvadvisory.com/experience/case/biosteel).

## 3.0 Coldhaus Dispute

### 3.1 Coldhaus Background

1. As described in the Monitor's Third Report dated December 12, 2023 (the "Third Report"), Coldhaus is a provider of warehousing and distribution services to BioSteel Canada pursuant to a distribution agreement dated January 27, 2021, as amended (the "Distribution Agreement"), and a warehouse fulfillment agreement dated as of February 10, 2021, as amended (the "Warehouse Fulfillment Agreement").
2. On the distribution side of the business, Coldhaus purchased finished product from BioSteel Canada and had the right to sell such products as a non-exclusive distributor for specified trade channels defined in the Distribution Agreement as the "Territory". On the warehousing side, BioSteel Canada would pay Coldhaus to provide storage, packing and shipping of BioSteel Canada-owned finished product to various retailers and other outlets.
3. A copy of the Distribution Agreement and the three amendments to the Distribution Agreement (the "Distribution Agreement Amendment") are attached hereto as Appendix "B", "C", "D", and "E" respectively.

4. A copy of the Warehouse Fulfilment Agreement and the amendments to the Warehouse Fulfilment Agreement (the "Warehouse Fulfilment Agreement Amendment") are attached hereto as Appendix "F" and "G", respectively.
5. As of the Filing Date, Coldhaus was liable to BioSteel Canada for approximately \$7,292,000 in connection with pre-filing purchases of RTDs and hydration mix under the Distribution Agreement (the "Uncollected Amounts"). The Uncollected Amounts have been outstanding since summer of 2023 despite BioSteel Canada's efforts to collect. A detailed statement of the outstanding invoices and adjustments which make up the Uncollected Amounts is attached hereto as Appendix "H".
6. The statement of Uncollected Amounts was provided to the Monitor by Coldhaus and confirmed by the Monitor through discussions with BioSteel. As of March 8, 2024, the Uncollected Amounts owed inclusive of prejudgement interest pursuant to the applicable *Courts of Justice Act* rate for the fourth quarter of 2023 was approximately \$7,494,000.
7. Throughout these CCAA proceedings, the Monitor continued to engage with Coldhaus to attempt to resolve disputes relating to the Uncollected Amounts and reach a consensual resolution. Despite these efforts, a resolution could not be reached and, as a result, on January 31, 2024, the Monitor's legal counsel served a Notice of Motion seeking an order, among other things:
  - a) declaring that Coldhaus is liable to BioSteel Canada for the Uncollected Amounts that are due and payable to BioSteel Canada in connection with the Distribution Agreement arranged during the pre-filing period (being the Uncollected Amounts);
  - b) directing Coldhaus to pay such amount to BioSteel Canada within five (5) business days; and
  - c) directing that Coldhaus pay the legal costs and other expenses of the Monitor and the Applicants incurred in connection with their dealings with Coldhaus in relation to these matters, on a substantial indemnity basis or other appropriate scale.
8. As set out below, Coldhaus has taken the position that it is entitled to set off certain amounts from the Uncollected Amounts. In taking that position, Coldhaus has acknowledged that in its view it is liable for approximately \$2.6 million of the Uncollected Amounts. However, Coldhaus has not made any payments on account of the acknowledged portion of the Uncollected Amounts.

### **3.2 Coldhaus Deductions**

1. During discussions between the Monitor and Coldhaus regarding the Uncollected Amounts, Coldhaus took the position that it was owed approximately \$3,597,000 from BioSteel Canada in connection with the Distribution Agreement and the Warehouse Fulfilment Agreement (the "Coldhaus Deductions"). Furthermore, Coldhaus asserted it was entitled to set-off the Coldhaus Deductions from the Uncollected Amounts. The Monitor understands the Coldhaus Deductions are comprised of certain amounts outstanding and relating to: (i) inventory management fees; (ii) rebates and 'billbacks' in connection with promotion campaigns and inventory sales made by Coldhaus to customers; and (iii) freight and logistics charges, including destruction of inventory, arising from the Warehouse Fulfilment Agreement.

2. The Monitor is reviewing the Coldhaus Deductions to determine the veracity of the amounts and when certain deductions arose (to determine whether certain deductions arose pre- or post-filing). While the Monitor has done limited analysis based on the information provided, Coldhaus has the burden of proving any set-offs and the timing of those set-offs.
3. Pre-filing versus post-filing set off is explicitly prohibited pursuant to paragraph 18 of the ARIO, which provides that no person shall be entitled to set off any amounts that:  
(a) are or may become due to BioSteel Canada in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of the Initial Order; or  
(b) are or may become due from the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of the Initial Order, each without the consent of the Applicants and the Monitor, or leave of this Court.

### **3.3 Return of BioSteel Inventory**

1. In addition to seeking to credit the Coldhaus Deductions, Coldhaus has asserted that it is entitled to exercise post-termination rights under section 6.3 of the Distribution Agreement to require BioSteel Canada to repurchase approximately \$1,053,000 of inventory remaining in Coldhaus' possession. An invoice documenting this amount was provided to the Monitor on December 5, 2023, and is attached hereto as Appendix "I" (the "Coldhaus Invoice").
2. Section 5.1 of the Distribution Agreement provides that: "This Agreement may be terminated at any time by mutual agreement of the Parties or by either Party without cause or penalty, upon one hundred and eighty (180) days' prior written notice to either Party."
3. Section 6.3 of the Distribution Agreement provides that: "Within five (5) business days after termination, Distributor shall have the option to sell, and BioSteel or its designee shall purchase, Distributor's undamaged, merchantable and originally packaged inventory of non-overage Subject Beverages purchased from BioSteel at the cost paid by the Distributor for such Beverages, plus all applicable Taxes paid by the Distributor...".
4. The Monitor's view is that post-termination rights existing under the Distribution Agreement do not extend to either party as:
  - a) pursuant to section 2.1, the Distribution Agreement automatically renews for successive one-year periods and neither Coldhaus nor BioSteel Canada delivered a written termination notice under the Distribution Agreement; and
  - b) the stay provisions of the ARIO preclude Coldhaus from relying on section 6.3 of the Distribution Agreement without consent of the Applicants and the Monitor, or leave of the Court.



5. Furthermore, notwithstanding the Monitor’s position on the post-termination rights, certain of the rights extended under section 6.3 of the Distribution Agreement are problematic given the current state of certain portions of the inventory that Coldhaus is attempting to return:
  - a) approximately one quarter of the inventory Coldhaus aims to return to BioSteel Canada has an expiry date of 12 months or less. The Monitor understands that typical practice in the industry is that product with an expiry date of 12 months or less is subject to deep discounts due to the short shelf life. Accordingly, the Monitor’s view is that this portion of the inventory is not ‘merchantable’ under typical conditions, and hence is not subject to the buy-back terms of section 6.3 of the Distribution Agreement; and
  - b) a portion of the inventory appears to be co-branded with logos of certain sports teams (the “Co-branded Inventory”) pursuant to licensing arrangements which have since been terminated in these CCAA proceedings. As a result of these license terminations, the Monitor’s view is that the Co-branded Inventory is not merchantable, and hence also falls outside the scope of the buy-back terms of section 6.3 of the Distribution Agreement.

### 3.4 Prepayment Agreement

1. On September 29, 2023, Coldhaus entered into a prepayment agreement to continue providing ongoing freight and logistics services in these CCAA proceedings (the “Prepayment Agreement”). A copy of the Prepayment Agreement is attached hereto as Appendix “J”.
2. As of March 1, 2024, BioSteel has paid all amounts pursuant to the Prepayment Agreement. Following the last prepayment, Coldhaus continued providing inventory storage and destruction services from December through February for which BioSteel has not yet paid Coldhaus (the “Outstanding Payment Amounts”). The Outstanding Payment Amounts remain unpaid as the Monitor attempted to incorporate these liabilities within a global consensual resolution with Coldhaus. The Outstanding Payment Amounts total approximately \$87,000, calculated as follows:

	<b>Pre-tax amount</b>	<b>Tax</b>	<b>Balance Due</b>
Freight and Fulfillment owed	11,731	1,525	13,256
December Storage	35,000	4,550	39,550
January Storage	35,000	4,550	39,550
Remaining inventory destruction	6,000	-	6,000
	<u>87,731</u>	<u>10,625</u>	<u>98,356</u>
Less prepayment credit	(10,000)	(1,300)	(11,300)
<b>Total</b>	<b><u>77,731</u></b>	<b><u>9,325</u></b>	<b><u>87,056</u></b>

## 4.0 Conclusion

1. The Monitor is seeking an order from this Court directing Coldhaus to pay the Uncollected Amounts (plus accrued interest), less the Outstanding Payment Amounts, which amounts to approximately \$7,407,000.
2. The Monitor is supportive of this order as: (i) best efforts made by the Applicants and the Monitor to reach a consensual resolution have been exhausted and unsuccessful; (ii) at this late stage of the proceedings, there are no further BioSteel employees available to continue to engage in fruitless and protracted discussions with Coldhaus; (iii) such an order would end the unnecessary incurrence of professional fees relating to these protracted disputes for both the Applicants and Coldhaus; (iv) this issue is delaying the wind up of the estate; and (v) Canopy, the Applicants' secured creditor and only party with an economic interest in BioSteel's estate, is supportive of the relief sought by the Monitor in this motion.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
IN ITS CAPACITY AS MONITOR OF  
BIOSTEEL SPORTS NUTRITION INC.,  
BIOSTEEL MANUFACTURING LLC,  
AND BIOSTEEL SPORTS NUTRITION USA LLC  
AND NOT IN ITS PERSONAL CAPACITY**





March 20, 2024

**Supplement to the Fifth Report of  
KSV Restructuring Inc.  
as CCAA Monitor of  
BioSteel Sports Nutrition Inc.,  
BioSteel Manufacturing LLC, and  
BioSteel Sports Nutrition USA LLC**



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Court File No.: CV-23-00706033-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING  
LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

SUPPLEMENT TO THE FIFTH REPORT OF KSV  
RESTRUCTURING INC.

March 20, 2024

## 1.0 Introduction

1. This report (the "Supplemental Report") supplements the Monitor's fifth report to the Court dated March 11, 2024 (the "Fifth Report").
2. The procedural background and Court Orders are laid out in detail in the Fifth Report and are accordingly not repeated herein.
3. Unless otherwise stated, capitalized terms used in this Supplemental Report have meanings provided to them in the Fifth Report and in the Motion Record by Coldhaus dated March 15, 2024 (the "Coldhaus Motion Record"). This Supplemental Report is subject to the scope and terms of reference in the Fifth Report.

### 1.1 Purposes of this Report

1. The purpose of this Supplemental Report is to address and clarify certain matters raised in the Coldhaus Motion Record.

## 2.0 Monitor's Response

### 2.1 Responses to Certain Contentions in Coldhaus' Evidence

1. On March 15, 2024, the Monitor received a copy of the Coldhaus Motion Record delivered in connection with the Monitor's efforts to collect the Uncollected Amounts.
2. The Coldhaus Motion Record includes the affidavit of Edwina Fung affirmed March 15, 2024 (the "Fung Affidavit"). Certain contentions in the Fung Affidavit are addressed below:

- i. the Fung Affidavit defines certain rebates to be provided by BioSteel Canada to Coldhaus under the Distribution Agreement as “Billbacks”. The Fung Affidavit claims that Coldhaus’ failure to settle the pre-filing Uncollected Amounts, including some overdue since March 7, 2023, is due to BioSteel Canada’s failure to issue credit memos for Billbacks and pay for warehouse services. However, nothing in the Distribution Agreement provides a unilateral right to Coldhaus to withhold payment to BioSteel Canada pending the issuance of credit memos by BioSteel Canada or the resolution of disputed invoices. To the contrary, section 4.5 of the Distribution Agreement requires Coldhaus to continue performing its obligations pending any invoice dispute.
- ii. the Fung Affidavit acknowledges that Coldhaus’ liability to BioSteel Canada is at least approximately \$2.6 million, which has been due and owing pursuant to pre-filing invoices issued to Coldhaus. Notwithstanding Coldhaus’ acknowledgment of this minimum liability, Coldhaus has made no efforts to pay this amount, or any portion of it, in essence leveraging the CCAA proceedings to delay making payment towards amounts that it acknowledges it owes;
- iii. the Fung Affidavit alleges that on December 5, 2023, Coldhaus exercised its “Distribution Agreement termination sell-back option.” However, neither BioSteel Canada nor Coldhaus delivered a written notice of termination when Coldhaus unilaterally delivered an invoice for its sell-back option. Accordingly, the Distribution Agreement had not been terminated on December 5, 2023. In any event, notwithstanding that neither party has terminated the Distribution Agreement, the stay provisions of the ARIO preclude Coldhaus from terminating the Distribution Agreement;
- iv. the Fung Affidavit attempts to justify Coldhaus’ failure to sell the BioSteel Canada inventory because BioSteel Canada was not issuing credit memos after the Filing Date. However, as set out above, section 4.5 of the Distribution Agreement requires Coldhaus to continue performing its obligations – including its obligation pursuant to section 3.1 to exert its best efforts to supply and serve the inventory in the applicable territory – pending any invoice dispute. Accordingly, any alleged failure of BioSteel Canada to issue credit memos does not alleviate Coldhaus from its duty to make best efforts to sell the inventory, which it could have done in the normal course since the CCAA filing;
- v. in alleging that the Monitor “prematurely” sought litigation to resolve the Uncollected Amounts, the Fung Affidavit has mischaracterized the events preceding this motion. The Monitor first sought payment from Coldhaus on October 26, 2023, and engaged in good faith negotiations with Coldhaus through February 2024 in an effort to resolve the Uncollected Amounts and avoid litigation. During those discussions, on February 8, 2024, Coldhaus made a with prejudice offer (attached to the Fung Affidavit as Exhibit “H”) offering to resolve the dispute for a payment of \$500,000 upon settlement and the balance of \$2,052,828.64 on June 30, 2024 (these amounts being collectively defined as the “Undisputed Liability”). The timing and amounts offered by Coldhaus were unacceptable given the total amounts owing by Coldhaus and the lengthy period over which those amounts have been outstanding. Further, the proposed timing would have delayed the timely wind down of the Applicants; and

- vi. finally, as set out above and in the Fung Affidavit, the with prejudice amount offered by Coldhaus is the amount of Coldhaus' acknowledged Undisputed Liability. In light of Coldhaus' acknowledgment of the Undisputed Liability and the period for which it has been outstanding, there is no basis for Coldhaus to continue to withhold this payment. From the Monitor's perspective, the appropriate course of action would have been for Coldhaus to pay the Undisputed Liability, and for any further disputed amounts to be resolved either consensually or with the assistance of the Court. Coldhaus' continued refusal to pay the Undisputed Liability, coupled with the parties' disagreement over the remaining disputed amounts, necessitated this motion.

## 2.2 Summary of the Uncollected Amounts

1. The Monitor understands that, pursuant to the Distribution Agreement, the amount of the Billbacks could not be determined until Coldhaus sold the purchased inventory, as the amount of the Billbacks varied depending on the customer that purchased the inventory from Coldhaus.
2. The Monitor also understands that certain of the Billbacks were determined and invoiced during the pre-filing period. Those Billbacks are set out in the "Pre-Filing Billbacks conceded by the Monitor" row in the table below. After further review and consideration of the evidence, the Monitor does not dispute these Pre-Filing Billbacks.
3. It appears from the Monitor's review that certain of the Billbacks arose post-filing and were invoiced after the Filing Date. The Monitor is of the view these "Post-Filing Billbacks" should not be set off from the Uncollected Amounts, in accordance with paragraph 18 of the ARIO.
4. The Monitor's assessment of the Pre-Filing Billbacks is built onto Coldhaus' Billback Listing and is attached hereto as Appendix "A".
5. The table below sets out: (a) the net Uncollected Amounts sought by the Monitor after deducting the pre-filing Billbacks and the outstanding amount owing to Coldhaus pursuant to the Prepayment Agreement; and (b) the net liability after deducting the Post-filing Billbacks and post-termination buy-back rights that are not conceded by the Monitor:

	<b>Balance Due</b>
Total Uncollected Amounts owed by Coldhaus to BioSteel (including pre-judgment interest)	7,494,211.05
Less amounts conceded by the Monitor:	
Pre-filing Billbacks	(3,321,515.39)
The Outstanding Payment Amounts	(87,056.00)
<b>Net Uncollected Amounts owed by Coldhaus Sought by the Monitor</b>	<b>4,085,639.66</b>
Less amounts not conceded by the Monitor:	
Post-filing Billbacks	(275,917.45)
Post-termination buy-back	(1,053,437.40)
<b>Net Uncollected Amounts After Deducting Disputed Amounts</b>	<b>2,756,284.81</b>

### 3.0 Conclusion

1. As laid out above in this Supplemental Report, considering the evidence collected by the Monitor with respect to the Pre-Filing and Post-Filing Billbacks, the Monitor is seeking an order from this Court directing Coldhaus to pay the Uncollected Amounts (plus accrued interest), less the Pre-Filing Billbacks and Outstanding Payment Amounts, which totals \$4,085,639. The Monitor is also seeking its costs of the motion.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
IN ITS CAPACITY AS MONITOR OF  
BIOSTEEL SPORTS NUTRITION INC.,  
BIOSTEEL MANUFACTURING LLC,  
AND BIOSTEEL SPORTS NUTRITION USA LLC  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “B”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C.  
C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING LLC AND BIOSTEEL  
SPORTS NUTRITION USA LLC**

**AFFIDAVIT OF NOAH GOLDSTEIN  
(Sworn April 4, 2024)**

I, Noah Goldstein, of the City of Toronto, in the Province of Ontario, MAKE OATH AND  
SAY:

1. I am a Managing Director of KSV Restructuring Inc. ("KSV").
2. Pursuant to an order (the "Initial Order") issued by the Ontario Superior Court of Justice (Commercial List) ("Court") on September 14, 2023, BioSteel Sports Nutrition Inc. was granted protection under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended, and KSV Restructuring Inc. was appointed monitor of the Company (in such capacity, the "Monitor").
3. Pursuant to an order of the Court dated November 16, 2023, BioSteel Sports Nutrition USA LLC and BioSteel Manufacturing LLC were added as additional applicants to which the Initial Order applies.
4. I have been involved in the management of this mandate since its outset. As such, I have knowledge of the matters to which I hereinafter depose.



5. On April 4, 2024, the Monitor finalized its Second Supplement to the Fifth Report to Court in which it provided information with respect to the Monitor's fees and disbursements and those of its legal counsel, Bennett Jones LLP.

6. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV for the periods indicated and confirm that these accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements claimed by it.

7. Additionally, attached hereto as Exhibit "B" is a summary of additional information with respect to all members of KSV who have worked on this matter, including their roles, hours and rates, and I hereby confirm that the list represents an accurate account of such information.

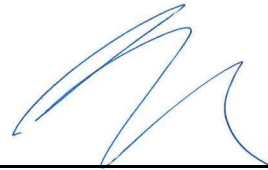
8. I consider the accounts to be fair and reasonable considering the circumstances connected with this administration.

9. I also confirm that the Monitor has not received, nor expects to receive, nor has the Monitor been promised any remuneration or consideration other than the amount claimed in the accounts.

**SWORN BEFORE ME** over videoconference by Noah Goldstein stated as being located in the City of Toronto in the Province of Ontario, before me at the City of Toronto in the Province of Ontario, on April 4, 2024, in accordance with O. Reg 431/20 Administering Oath or Declaration Remotely



Catherine Anne Stuyck-Therault, a Commissioner, etc.,  
Province of Ontario for KSV Advisory Inc. and KSV  
Restructuring Inc.  
Expires February 19, 2025



Noah Goldstein

This is Exhibit "A" referred to in the  
Affidavit of Noah Goldstein sworn before  
me, this 4<sup>th</sup> day of April, 2024



---

Catherine Anne Stuyck-Therault, a Commissioner, etc.,  
Province of Ontario for KSV Advisory Inc. and KSV Restructuring Inc.  
Expires February 19, 2025



**Noah Goldstein**  
**ksv advisory inc.**

220 Bay Street  
Suite 1300, PO Box 20  
Toronto, Ontario, M5J 2W4  
T +1 416 932 6207  
F +1 416 932 6266  
ngoldstein@ksvadvisory.com  
ksvadvisory.com

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October 20, 2023

**DELIVERED BY EMAIL**

BioSteel Sports Nutrition Inc.  
87 Wingold Avenue, Suite 1  
Toronto, ON M6B 1P8

**Attention: Eugene Davis**

**Re: BioSteel Sports Nutrition Inc. (the "Applicant")**

Enclosed please find our invoice for services rendered for the period ended September 30, 2023 in respect of the Applicant's proceedings under the *Companies' Creditors Arrangement Act*.

For your convenience, we have included our wire instructions on the invoice.

Yours very truly,

**KSV RESTRUCTURING INC.**  
**IN ITS CAPACITY AS CCAA MONITOR**  
**OF BIOSTEEL SPORTS NUTRITION INC.**  
**AND NOT IN ITS PERSONAL CAPACITY**

Per: Noah Goldstein  
NG:rk  
Encl(s)



**ksv advisory inc.**  
220 Bay Street  
Suite 1300, PO Box 20  
Toronto, Ontario, M5J 2W4  
T +1 416 932 6262  
F +1 416 932 6266  
  
ksvadvisory.com

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## INVOICE

BioSteel Sports Nutrition Inc.  
87 Wingold Avenue, Suite 1  
Toronto, ON M6B 1P8

October 20, 2023

**Attention: Eugene Davis**

Invoice No: 3330  
HST #: 818808768 RT0001

**Re: BioSteel Sports Nutrition Inc. (the “Applicant”)**

For professional services rendered for the period ended September 30, 2023 by KSV Restructuring Inc. (“KSV”) in connection with the Applicant’s proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

**General**

- Corresponding extensively with Bennett Jones LLP (“Bennett Jones”), the Monitor’s legal counsel, and Cassels Brock & Blackwell LLP (“Cassels”), counsel to the Applicant, concerning all matters in the CCAA proceedings, including regular calls and emails as more specifically outlined below;

**CCAA Filing and Comeback Motion**

- Reviewing and commenting on multiple versions of all draft court materials filed in connection with the Applicant’s CCAA application on September 14, 2023 (the “CCAA Application Materials”), including;
  - the Initial Order;
  - the Affidavit of Sarah S. Eskandari sworn September 13, 2023; and
  - the Factum of the Applicant dated September 14, 2023;
- Corresponding extensively with Bennett Jones and Cassels regarding the draft CCAA Application Materials;
- Drafting KSV’s Pre-Filing Report to Court dated September 14, 2023 in its capacity as proposed CCAA monitor (the “Monitor”) of the Applicant (the “Pre-filing Report”);

- Preparing the appendices to the Pre-filing Report;
- Corresponding extensively with Bennett Jones and Cassels regarding their comments on the Pre-filing Report;
- Attending Court (virtually) on September 14, 2023 regarding the Initial Application;
- Reviewing and commenting on all Court materials filed in connection with the Applicant's comeback hearing on September 21, 2023 (the "Comeback Hearing"), including:
  - the Amended and Restated Initial Order;
  - the Sale and Investment Solicitation Process (the "SISP") documents;
  - the SISP Approval Order; and
  - the Factum of the Applicant dated September 19, 2023;
- Drafting the Monitor's First Report to Court dated September 19, 2023 (the "First Report") in connection with the Comeback Hearing;
- Preparing the appendices to the First Report;
- Corresponding extensively with Bennett Jones and Cassels regarding their respective comments on the First Report;
- Preparing and filing Form 1, Information Pertaining to the Initial Order, with the Office of the Superintendent of Bankruptcy Canada ("OSB") as required under the CCAA;
- Preparing and filing Form 2, Debtor Company Information Summary, with the OSB as required under the CCAA; and
- Maintaining the Service List in these proceedings on the Monitor's case website and posting all Court materials on the Monitor's case website;

### **Operational Matters**

- Reviewing the Applicant's communication plan and other notices (the "Communications Plan") for the Applicant's stakeholders in connection with the CCAA Proceedings;
- Discussing and commenting on the Communications Plan with Bennett Jones, Cassels and the Applicant;
- Preparing and causing a notice to be posted in the national edition of *The National Post* newspaper in accordance with the Initial Order;
- Preparing a statutory notice dated September 14, 2023 to all known creditors of the Applicant advising of the CCAA proceedings (the "Notice to Creditors");
- Corresponding with Bennett Jones and Cassels regarding the Notice to Creditors;
- Attending calls with the special committee (the "Special Committee") of the Applicant regarding the commencement of the CCAA proceedings and various issues on August 17, 21, and 30, 2023;

- Reviewing and assisting in preparation of the Company's inventory sales plan;
- Reviewing and assisting in negotiating the liquidation of international inventory located at the Weyer's Cave warehouse;
- Reconciling accounts receivable balances and investigating ERP reporting and company segregation issues;
- Attending multiple calls with Cassels regarding ad-hoc issues with certain key vendors of the Applicant;
- Extensively responding to emails from creditors, vendors, and sponsors regarding various matters on a daily basis;
- Responding to calls from creditors, vendors, and sponsors, including:
  - Attending numerous calls with vendors to negotiate operational restart and prepayment agreements, including:
    - September 19, 21, 28, and 29, 2023 with ColdHaus Direct Inc. ("ColdHaus");
    - September 18, 19, and 20, 2023 with SCI Logistics Ltd., Speed Global Services, Superior Plus LP and Total Customs Services Inc.;
    - September 19, 2023 with Allen Distribution;
    - September 19, 2023 with RXO Inc. to negotiate prepayments; and
    - September 19, 2023 with Distribution Management Inc. to negotiate prepayments;
  - Attending calls on September 19, 20, and 21, 2023 with Skip Shapiro Enterprises regarding outstanding unsecured claims and liquidation of inventory;
  - Attending calls on September 22 and 27, 2023 to discuss with ColdHaus, BioSteel Sports Nutrition Inc. ("BioSteel") and BioSteel's legal counsel on [REDACTED]
  - Attending calls on September 15, 20, 22, 26, and 28, 2023 with BioSteel and Canopy Growth Corporation ("Canopy") regarding operational issues and disbursements requests;
  - Attending a call on September 19, 2023 with Canopy regarding cash and accounts receivable tracking and planning; and
  - Attending a call on September 29, 2023 with Canopy regarding BioSteel's bank reports and statements;
- Attending several calls throughout August 2023 with FTI Consulting ("FTI"), regarding the commencement of proceedings and information prepared by FTI;
- Attending the premises on a daily basis from the commencement of the CCAA proceedings and dealing with operational issues on site;
- Reviewing statements of work for transportation services and discussing same with BioSteel and Canopy;

- Reviewing historical logistics information to ensure future work orders are inline with acceptable rates and pricing;
- Discussing storage costs and needs with BioSteel and Canopy;
- Drafting a letter to Torys LLP on September 26, 2023;
- Dealing with various issues related to the National Hockey League and National Hockey League Players Association;
- Assisting Cassels and BioSteel with negotiations to provide continued services [REDACTED]
- Attending calls with BioSteel to discuss various storage unit locker commitments throughout North America and worked to understand locker content and liability;
- Addressing concerns regarding director's and officer's liabilities in respect of the proceedings;
- Reviewing various documents from BioSteel, including leases, endorsement agreements, sponsorship agreements, and various contracts;
- Reviewing various documents and correspondence regarding notices of defaults from numerous sponsorship agreements;

#### Cash Flow

- Preparing a projected 13-week Statement of Cash Flow (the "Projection") for the Applicant and corresponding extensively with the Applicant in connection with same;
- Working extensively to reconcile banking reports with opening balances prior to the commencement of the proceeding;
- Analyzing all accounts receivable data to reconcile the appropriate accounts to the correct entity for reporting purposes;
- Monitoring the Applicant's daily receipts and disbursements, including tracing bank transaction activity to approved payments;
- Reviewing and discussing all critical vendor post-filing invoices received;
- Preparing and reviewing a cash flow variance analysis for the weeks ended September 22 and 29, 2023;
- Updating a daily cash tracker;
- Attending semi-weekly calls with the Applicant to review proposed payments and discuss ad-hoc vendor issues;
- Preparing proposed payment packages including payment details and supporting invoices for the Special Committee;
- Reviewing various ad-hoc requests from the Applicant and the Special Committee regarding proposed payments;

Other

- Attending introductory calls on August 8 and 9, 2023 regarding the commencement of the proceedings;
- Corresponding with the Applicant and Greenhill & Co. Canada Ltd. (“Greenhill”), the Applicant’s financial advisor, to review the proposed SISP;
- Reviewing and commenting on Greenhill’s draft marketing materials prepared in connection with the SISP, including a teaser and a confidential information memorandum;
- Discussing the current monthly HST calculations and procedures in place regarding monthly filings;
- Reviewing monthly HST filings and conducting tests for accuracy of the filings;
- Reviewing and summarizing all court documents filed in connection with the US Foreign proceeding;
- Preparing and maintaining a CCAA checklist and action plan;
- Reviewing the Applicant’s data room materials and key documents and preparing a comprehensive internal presentation;
- Attending several Special Committee calls and corresponding with members of the Special Committee;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

\* \* \*

Total fees and disbursements per attached time summary	\$ 328,076.96
HST	<u>42,650.00</u>
Total Due	<u>\$ 370,726.96</u>



KSV Restructuring Inc.  
BioSteel Sports Nutrition Inc.

**Time Summary**

For the period ended September 30, 2023

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Noah Goldstein	700	154.60	108,220.00
David Sieradkzi	700	36.25	25,375.00
Ross Graham	500	247.50	123,750.00
Meg Ostling	425	117.25	49,831.25
Other staff and administration		33.00	14,706.25
Total Fees		588.60	321,882.50
Add: Out of Pocket Disbursements			
Travel and meals			5,786.34
Postage			317.12
Photocopies			91.00
Total Disbursements			6,194.46
Total Fees and Disbursements			328,076.96

# Official Account Confirmation Letter

Date: **20** July 2023

To: \_\_\_\_\_

The following information is given in good faith based on information the Bank of Montreal (the “Bank” or “BMO”) believes to be true. You agree to treat this information as private and confidential and agree to comply with all statutory requirements respecting the obtaining of such information. Neither the Bank nor the writer shall be or become liable or responsible in any manner for or by reason of giving the information.

## Bank Account Confirmation

Legal Entity Name <b>KSV RESTRUCTURING INC.</b>			
Company Address <b>220 BAY ST SUITE 1300</b>			
City <b>TORONTO</b>	Province <b>ON</b>	Postal Code <b>M5J 2W4</b>	Country <b>Canada</b>
Bank <b>Bank of Montreal</b>			
Bank Address <b>100 KING STREET WEST, 42ND FLOOR</b>			
City <b>TORONTO</b>	Province <b>ON</b>	Postal Code <b>M5X 1H3</b>	Country <b>Canada</b>
Institution Code <b>001</b>	Bank Transit <b>32132</b>	Bank Account <b>1995-665</b>	

Please select what products are required for this validation letter.

EFT       Wires (CAD, USD, Foreign exchange)




**BMO FINANCIAL GROUP**  
Treasury & Payment Solutions  
First Canadian Place  
100 King Street West  
22nd Floor  
Toronto, Ontario M5X 1A1

As this is extremely sensitive information, we trust that you will keep this strictly confidential and for business purposes only. If you require anything further, please do not hesitate to contact us.

Thank you,

**Daniel Pace**

 Digitally signed by Daniel Pace  
Date: 2023.07.20 15:56:30 -04'00'

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BMO Treasury and Payments Solutions



**Noah Goldstein**  
**ksv advisory inc.**

220 Bay Street  
Suite 1300, PO Box 20  
Toronto, Ontario, M5J 2W4  
T +1 416 932 6207  
F +1 416 932 6266  
ngoldstein@ksvadvisory.com  
ksvadvisory.com

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November 16, 2023

**DELIVERED BY EMAIL**

BioSteel Sports Nutrition Inc.  
87 Wingold Avenue, Suite 1  
Toronto, ON M6B 1P8

**Re: BioSteel Sports Nutrition Inc. (the "Applicant")**

Enclosed please find our invoice for services rendered for the period ended October 31, 2023 in respect of the Applicant's proceedings under the *Companies' Creditors Arrangement Act*.

For your convenience, we have included our wire instructions on the invoice.

Yours very truly,

**KSV RESTRUCTURING INC.**  
**IN ITS CAPACITY AS COURT-APPOINTED**  
**MONITOR OF BIOSTEEL SPORTS NUTRITION INC.**  
**AND NOT IN ITS PERSONAL CAPACITY**

Per: Noah Goldstein  
NG:rk  
Encl(s)



**ksv advisory inc.**  
220 Bay Street  
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Toronto, Ontario, M5J 2W4  
T +1 416 932 6262  
F +1 416 932 6266  
  
ksvadvisory.com

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## INVOICE

BioSteel Sports Nutrition Inc.  
87 Wingold Avenue, Suite 1  
Toronto, ON M6B 1P8

November 16, 2023

Invoice No: 3361  
HST #: 818808768 RT0001

**Re: BioSteel Sports Nutrition Inc. (the “Applicant”)**

For professional services rendered for the period ended October 31, 2023 by KSV Restructuring Inc. (“KSV”) in connection with the Applicant’s proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

**General**

- Corresponding extensively with Bennett Jones LLP (“Bennett Jones”), the Monitor’s legal counsel, Cassels Brock & Blackwell LLP (“Cassels”), counsel to the Applicant, and Akin Gump Strauss Hauer & Feld LLP (“Akin”), US counsel to the Applicant, concerning all matters in the CCAA proceedings, including regular calls and emails as more specifically outlined below;

**CCAA Filing and Recognition Application**

- Reviewing and commenting on material prepared by Akin in support of BioSteel’s October 13, 2023 petition for recognition of a foreign main proceeding, recognition of the foreign representative, and related relief under Chapter 15 of the US Bankruptcy Code (the “Recognition Application”).
- Corresponding extensively with Bennett Jones, Cassels and Akin regarding the Recognition Application;
- Maintaining the Service List in these proceedings on the Monitor’s case website and posting all materials on the Monitor’s case website, specifically in relation to the Recognition Application;

**Operational Matters**

- Corresponding with BioSteel and Cassels regarding the liquidation of international inventory located at the Weyer’s Cave warehouse;

- Corresponding with BioSteel and Cassels regarding the liquidation of international inventory located at the Australian warehouse;
- Attending multiple calls with management regarding inventory sales and maintaining vendor prepayments for continued services;
- Reconciling and updating accounts receivable balances on a weekly basis in reflection of amounts received and outstanding;
- Attending multiple weekly calls with BioSteel to review requested vendor disbursements;
- Attending storage facilities, conducting and inventory count of same, and communicating count results and aged state of inventory to BioSteel;
- Attending multiple calls with BioSteel and Cassels to discuss storage units belonging to former BioSteel employees and located throughout North America (the "Storage Units");
- Reviewing images and documents prepared on the state of the inventory located in the Storage Units;
- Advising on direction for disposal of inventory and limiting obligations of the former employees with respect to the Storage Units;
- Attending multiple calls with Cassels regarding ad-hoc issues with certain key vendors of the Applicant;
- Supporting negotiations between ColdHaus Direct Inc. ("ColdHaus") and BioSteel for amounts owed between parties, including:
  - Attending multiple calls with Cassels, ColdHaus, and BioSteel to understand the situation and relevant positions;
  - Supporting BioSteel in a reconciliation of amounts payable and receivable between the parties;
  - Attending multiple calls with BioSteel on reconciled amounts owed and owing between the parties;
  - Preparing settlement documents for negotiations between ColdHaus and BioSteel;
  - Communicating BioSteel's settlement position with ColdHaus and facilitating responses between the parties.
- Responding to emails from creditors, vendors, and sponsors regarding various matters on a daily basis;
- Responding to ad-hoc calls from creditors, vendors, and sponsors.
- Attending the premises on a weekly basis and dealing with operational issues on site;
- Dealing with ongoing issues related to the National Hockey League and National Hockey League Players Association;
- Addressing concerns regarding the director's and officer's liabilities in respect of the proceedings;

- Assisting with the selection of the director's and officer's liability insurance policy and ensuring payment is made of same;
- Reviewing various documents from BioSteel, including leases, endorsement agreements, sponsorship agreements, and various contracts;
- Investigating amounts owed by Flow Alkaline Spring Water ("Flow") to BioSteel Manufacturing LLC ("BSM") for services performed under the Project Romeo Manufacturing Agreement and:
  - Attending multiple calls with BioSteel to determine nature of amounts owed by Flow;
  - Reviewing outstanding invoices owed by Flow in relation to services performed between May and September 2023;
  - Assisting Cassels in drafting payment demand letter and completing review of same; and
  - Calculating interest owing on amounts receivable in accordance with the Project Romeo Manufacturing Agreement;
- Reviewing various documents and correspondence regarding notices of default from numerous sponsorship agreements;

### **Cash Management Processes**

- Maintaining an updated projected Statement of Cash Flow for BioSteel and corresponding extensively with BioSteel, Cassels, and Canopy in connection with same;
- Monitoring the Applicant's daily receipts and disbursements, including tracing bank transaction activity to approved payments;
- Reviewing in detail and discussing all critical vendor post-filing invoices received;
- Preparing and reviewing a cash flow variance analysis for the weeks ended October 6<sup>th</sup>, 13<sup>th</sup>, 30<sup>th</sup> and 27<sup>th</sup>, 2023;
- Updating a daily cash tracker at the Applicant's request;
- Attending semi-weekly calls with the Applicant to review proposed payments and discuss ad-hoc vendor issues;
- Preparing proposed payment packages including payment details and supporting invoices for approval from various members of BioSteel management team and Special Committee;
- Reviewing various ad-hoc requests from the Applicant and Special Committee regarding proposed payments;

### **SISP**

- Generally assisting with the Applicant and Greenhill & Co. Canada Ltd. ("Greenhill"), the Applicant's financial advisor, in conducting the SISP;
- Conducting a thorough review of received bids;

- Attending extensive deliberations with both management, Canopy, Greenhill and other stakeholders to carefully assess the bid submissions;
- Preparing financial analysis to assist with Greenhill's drafting of the Overview of Binding Proposals (2023) presentation deck;
- Attending calls with the Special Committee for formal discussion of bids, walk through of the Overview of Binding Proposals (2023) presentation deck, and final selection of Successful Bidders; Responding to ad-hoc requests from various interested parties and stakeholders on the status of the SISP and selection of the successful bid;

#### Other

- Discussing the current monthly HST calculations and procedures in place regarding monthly filings;
- Reviewing monthly HST filings and conducting tests for accuracy of the September filings;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

\* \* \*

Total fees and disbursements per attached time summary	\$ 173,732.48
HST	<u>22,585.22</u>
Total Due	<u>\$ 196,317.70</u>



KSV Restructuring Inc.  
BioSteel Sports Nutrition Inc.

**Time Summary**

For the period ended October 31, 2023

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Noah Goldstein	700	82.60	57,820.00
Ross Graham	500	99.40	49,700.00
Meg Ostling	425	78.50	33,362.50
Other staff and administration		31.35	19,757.75
Total Fees		291.85	160,640.25
Out of Pocket Disbursements			13,092.23
Total Fees and Disbursements			173,732.48



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## INVOICE

BioSteel Sports Nutrition Inc.  
c/o KSV Restructuring Inc.  
220 Bay Street, 13<sup>th</sup> Floor  
Toronto ON M5J 2W4

December 20, 2023

Invoice No: 3422  
HST #: 818808768 RT0001

**Re: BioSteel Sports Nutrition Inc., BioSteel Sports Nutrition USA LLC, and BioSteel Manufacturing LLC (“BioSteel or the “Applicants”)**

For professional services rendered for the period ended November 30, 2023 by KSV Restructuring Inc. (“KSV”) in connection with the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

### General

- Corresponding extensively with Bennett Jones LLP (“Bennett Jones”), the Monitor’s legal counsel, Cassels Brock & Blackwell LLP (“Cassels”), counsel to the Applicants, and Akin Gump Strauss Hauer & Feld LLP (“Akin”), US counsel to the Applicants, concerning all matters in the CCAA proceedings, including regular calls and emails as more specifically outlined below;

### CCAA Proceedings

- Reviewing the asset purchase agreements between BioSteel and DC Holdings Ltd. d/b/a Coachwood Group of Companies (the “BioSteel Canada Transaction”) and between BioSteel and Gregory Packaging Inc. (the “Manufacturing Transaction”, and together with the BioSteel Canada Transaction, the “Transactions”);
- Reviewing and commenting on multiple versions of all draft court-materials filed in connection with the Applicant’s application on November 16, 2023 to approve of the Transactions (the “Sale and Vesting Order Hearing”), including;
  - an approval and vesting Order in respect of the BioSteel Canada Transaction;
  - an approval and vesting Order in respect of the Manufacturing Transaction;

- an ancillary relief Order in respect of, among other things, the adding of BioSteel Manufacturing LLC and BioSteel Sports Nutrition USA LLC as Applicants in these proceedings;
- the third affidavit of Sarah S. Eskandari sworn November 10, 2023; and
- the factum of the Applicant dated November 10, 2023;
- Preparing and finalizing the second report of the Monitor dated November 14th, 2023 (the “Second Report”);
- Preparing the appendices to the Second Report;
- Corresponding extensively with Bennett Jones, Cassels and Akin regarding the Second Report of the Monitor;
- Attending Court (virtually) on November 16, 2023 regarding the Sale and Vesting Order Hearing;
- Assisting Akin’s service of court documents to creditors associated with the Second Report and the US Bankruptcy Code proceedings;
- Maintaining the Service List in these proceedings on the Monitor’s case website and posting all materials on the Monitor’s case website, including the Chapter 15 of the US Bankruptcy Code proceeding;

### **Operational Matters**

- Corresponding with the Applicants and Cassels regarding the liquidation of international inventory located at the Australian warehouse;
- Attending multiple calls with management regarding inventory sales and maintaining vendor prepayments for continued services;
- Reconciling and updating accounts receivable balances on a weekly basis in reflection of amounts received and outstanding;
- Attending multiple calls with Cassels regarding ad-hoc issues with certain key vendors of the Applicants;
- Supporting negotiations between ColdHaus Direct Inc. (“ColdHaus”) and BioSteel for amounts owed between parties, including:
  - Attending multiple calls with Cassels, ColdHaus, and BioSteel to discuss the situation and relevant positions;
  - Supporting BioSteel in a reconciliation of amounts payable and receivable between the parties;
  - Preparing settlement documents for negotiations between ColdHaus and BioSteel;
  - Communicating BioSteel’s settlement position with ColdHaus and facilitating responses between the parties; and

- Updating Bennett Jones on settlement matters with ColdHaus for purposes of the Second Report; and
- Responding to emails from creditors, vendors, and sponsors regarding various matters on a daily basis;
- Preparing letters demanding payment from certain customers for outstanding accounts receivable, including:
  - corresponding extensively with certain customers regarding the reconciliation of amounts owed;
  - assisting BioSteel with reconciliation of amounts owed; and
  - reviewing credits identified by customers and working with BioSteel to verify nature of claims; and
- Responding to ad-hoc calls from creditors, vendors, and sponsors.
- Attending the BioSteel Toronto head office on an as-needed basis and dealing with operational issues on site;
- Addressing concerns regarding the director's and officer's liabilities in respect of the proceedings;
- Reviewing various documents from BioSteel, including leases, endorsement agreements, sponsorship agreements, and various contracts;

### **Cash Management Processes**

- Maintaining an updated projected Statement of Cash Flow for BioSteel and corresponding extensively with BioSteel, Cassels, and Canopy in connection with same;
- Monitoring the Applicants' daily receipts and disbursements, including tracing bank transaction activity to approved payments;
- Reviewing in detail and discussing all critical vendor post-filing invoices received;
- Preparing and reviewing a cash flow variance analysis for the weeks ended November 3<sup>rd</sup>, 10<sup>th</sup>, 17<sup>th</sup>, and 24<sup>th</sup> 2023;
- Updating a daily cash tracker at the Applicants' request;
- Attending semi-weekly calls with the Applicants to review proposed payments and discuss ad-hoc vendor issues;
- Preparing proposed payment packages including payment details and supporting invoices for approval from various members of BioSteel's management team and Special Committee;
- Preparing an analysis of intercompany transfers between the BioSteel entities for the purpose of repayment calculations;
- Reviewing various ad-hoc requests from the Applicants and Special Committee regarding proposed payments;

**SISP**

- Corresponding with successful bidders and back-up bidders, as needed;
- Assisting the Applicants and Greenhill & Co. Canada Ltd. ("Greenhill"), the Applicants' financial advisor, in concluding the SISP and closing the Transactions on November 30, 2023;
- Preparing and reviewing Transactions' closing documents, as needed;
- Corresponding extensively with BioSteel's management, Cassels, Bennett Jones, Greenhill, and the buyers regarding closing matters;
- Facilitating the return of deposits to the unsuccessful bidders, including calculating interest on the deposits;

**Other**

- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

\* \* \*

Total fees and disbursements per attached time summary	\$ 165,262.03
HST	<u>21,484.06</u>
Total Due	<u>\$ 186,746.09</u>

KSV Restructuring Inc.  
BioSteel Sports Nutrition Inc.

**Time Summary**

For the period ended November 30, 2023

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Noah Goldstein	700	69.20	48,440.00
Ross Graham	500	139.90	69,950.00
Maha Shah	450	9.10	4,095.00
Meg Ostling	425	51.00	21,675.00
Other staff and administration		34.70	20,450.00
Total Fees		303.90	164,610.00
Add: Out of Pocket Disbursements			
Travel and meals			652.03
Total Fees and Disbursements			165,262.03



**Noah Goldstein**  
**ksv advisory inc.**

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ngoldstein@ksvadvisory.com  
ksvadvisory.com

---

January 29, 2023

**DELIVERED BY EMAIL**

BioSteel Sports Nutrition Inc.  
87 Wingold Avenue, Suite 1  
Toronto, ON M6B 1P8

**Re: BioSteel Sports Nutrition Inc., BioSteel Sports Nutrition USA LLC, and  
BioSteel Manufacturing LLC (the “Applicants”)**

Enclosed please find our invoice for services rendered for the period ended December 31, 2023 in respect of the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act*.

For your convenience, we have included our wire instructions on the invoice.

Yours very truly,

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS COURT-APPOINTED  
MONITOR OF BIOSTEEL SPORTS NUTRITION INC.,  
BIOSTEEL SPORTS NUTRITION USA LLC, AND  
BIOSTEEL MANUFACTURING LLC  
AND NOT IN ITS PERSONAL CAPACITY**

Per: Noah Goldstein  
NG:rk  
Encl(s)



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ksvadvisory.com

---

## INVOICE

BioSteel Sports Nutrition Inc.  
c/o KSV Restructuring Inc.  
220 Bay Street, 13<sup>th</sup> Floor  
Toronto ON M5J 2W4

January 29, 2023

Invoice No: 3470  
HST #: 818808768 RT0001

**Re: BioSteel Sports Nutrition Inc., BioSteel Sports Nutrition USA LLC, and BioSteel Manufacturing LLC (“BioSteel or the “Applicants”)**

For professional services rendered for the period ended December 31, 2023 by KSV Restructuring Inc. (“KSV”) in connection with the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

### General

- Corresponding extensively with Bennett Jones LLP (“Bennett Jones”), the Monitor’s legal counsel, Cassels Brock & Blackwell LLP (“Cassels”), counsel to the Applicants, and Akin Gump Strauss Hauer & Feld LLP (“Akin”), US counsel to the Applicants, concerning all matters in the CCAA proceedings, including regular calls and emails as more specifically outlined below;

### CCAA Proceedings

- Preparing and finalizing the third report of the Monitor dated December 12th, 2023 (the “Third Report”);
- Preparing the appendices to the Third Report;
- Corresponding extensively with Bennett Jones, Cassels and Akin regarding the Third Report of the Monitor;
- Attending Court (virtually) on December 14, 2023 regarding the proposed distributions of cash and proceeds and any future realizations to the secured lenders;
- Maintaining the Service List in these proceedings on the Monitor’s case website and posting all materials on the Monitor’s case website, including the Chapter 15 of the US Bankruptcy Code proceeding;



### **Operational Matters**

- Attending multiple calls with management to facilitate inventory sales and maintaining vendor prepayments for continued services;
- Reconciling and updating accounts receivable balances on a weekly basis in reflection of amounts received and outstanding;
- Attending multiple calls with Cassels regarding ad-hoc issues with certain key vendors of the Applicants;
- Supporting negotiations between ColdHaus Direct Inc. (“ColdHaus”) and BioSteel for amounts owed between parties, including attending multiple calls with Cassels, ColdHaus, Aird & Berlis LLP (ColdHaus’ legal counsel) and BioSteel to discuss the situation and relevant positions.
- Responding to emails and ad-hoc calls from creditors, vendors, and sponsors regarding various matters;
- Attending the BioSteel Toronto head office on an as-needed basis and facilitating BioSteel’s lease disclaiming and subsequent move out;
- Meeting with Coachwood Group at the Biosteel Toronto head office on multiple occasions to facilitate the pickup of purchased assets;
- Dealing extensively with a break-in and theft that occurred at the Biosteel Toronto head office, including:
  - Reporting the matter to the Toronto Police Service and answering investigative questions from same;
  - Cataloguing and summarizing the valuation of the missing items;
  - Coordinating with a locksmith to enter the premise after the locks had been tampered with;
  - Arranging security to attend on site to secure IT equipment belonging to Canopy Growth Corporation (“Canopy”);
  - Attempting to access the security cameras located within the premises;
  - Corresponding with the IT services company regarding the alarm system within the premises;
  - Extensively corresponding with Cassels, Bennett Jones, and DC Holdings Inc.; and
  - Performing inquiries with all former employees and the landlord;

### **Cash Management Processes**

- Maintaining an updated projected Statement of Cash Flow for BioSteel and corresponding extensively with BioSteel, Cassels, and Canopy in connection with same;
- Monitoring the Applicants’ daily receipts and disbursements, including tracing bank transaction activity to approved payments;

- Reviewing in detail and discussing all critical vendor post-filing invoices received;
- Preparing and reviewing a cash flow variance analysis for the weeks ended December 1<sup>st</sup>, 8<sup>th</sup>, 15<sup>th</sup>, 22<sup>nd</sup> and 29<sup>th</sup> 2023;
- Updating a daily cash tracker at the Applicants' request;
- Attending semi-weekly calls with the Applicants to review proposed payments and discuss ad-hoc vendor issues;
- Preparing proposed payment packages including payment details and supporting invoices for approval from various members of BioSteel's management team and Special Committee;
- Preparing an analysis of the intercompany transfers between the BioSteel entities and the distributions available to be made to Canopy;
- Completing a distribution of transaction proceeds from BioSteel Manufacturing LLC and BioSteel Sports Nutrition USA LLC to Canopy;
- Reviewing various ad-hoc requests from the Applicants and Special Committee regarding proposed payments;
- Preparing and sending letters to Royal Bank of Canada ("RBC") and M&T Bank regarding the changing of signing authorities of the Applicant's bank accounts;
- Correspondence with RBC regarding reimbursement of their legal fees incurred in the proceedings;

#### Other

- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

\* \* \*

Total fees and disbursements per attached time summary	\$ 126,158.85
HST	<u>16,400.65</u>
Total Due	<u>\$ 142,559.50</u>

KSV Restructuring Inc.  
BioSteel Sports Nutrition Inc.

**Time Summary**

For the period ended December 31, 2023

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Noah Goldstein	700	41.80	29,260.00
Robert Harlang	650	41.30	26,845.00
Ross Graham	500	58.10	29,050.00
Meg Ostling	425	81.00	34,425.00
Other staff and administration		17.40	6,398.25
Total Fees		239.60	125,978.25
Add: Out of Pocket Disbursements			
Travel and meals			180.60
Total Fees and Disbursements			126,158.85



**Noah Goldstein**  
**ksv advisory inc.**

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ngoldstein@ksvadvisory.com  
ksvadvisory.com

---

February 20, 2024

**DELIVERED BY EMAIL**

BioSteel Sports Nutrition Inc.  
c/o KSV Restructuring Inc.  
87 Wingold Avenue, Suite 1  
Toronto, ON M6B 1P8

**Re: BioSteel Sports Nutrition Inc., BioSteel Sports Nutrition USA LLC, and  
BioSteel Manufacturing LLC (the "Applicants")**

Enclosed please find our invoice for services rendered for the period ended January 31, 2024 in respect of the Applicants' proceedings under the *Companies' Creditors Arrangement Act*.

For your convenience, we have included our wire instructions on the invoice.

Yours very truly,

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS COURT-APPOINTED  
MONITOR OF BIOSTEEL SPORTS NUTRITION INC.,  
BIOSTEEL SPORTS NUTRITION USA LLC, AND  
BIOSTEEL MANUFACTURING LLC  
AND NOT IN ITS PERSONAL CAPACITY**

Per: Noah Goldstein  
NG:rk  
Encl(s)



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---

## INVOICE

BioSteel Sports Nutrition Inc.  
c/o KSV Restructuring Inc.  
220 Bay Street, 13<sup>th</sup> Floor  
Toronto ON M5J 2W4

February 20, 2024

Invoice No: 3516  
HST #: 818808768 RT0001

**Re: BioSteel Sports Nutrition Inc., BioSteel Sports Nutrition USA LLC, and BioSteel Manufacturing LLC (“BioSteel or the “Applicants”)**

For professional services rendered for the period ended January 31, 2024 by KSV Restructuring Inc. (“KSV”) in connection with the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

### General

- Corresponding extensively with Bennett Jones LLP (“Bennett Jones”), the Monitor’s legal counsel, Cassels Brock & Blackwell LLP (“Cassels”), counsel to the Applicants, and Akin Gump Strauss Hauer & Feld LLP (“Akin”), US counsel to the Applicants, concerning all matters in the CCAA proceedings, including regular calls and emails as more specifically outlined below;

### Operational Matters

- Attending multiple calls with management to facilitate inventory sales and maintaining vendor prepayments for continued services;
- Reconciling and updating accounts receivable balances on a weekly basis in reflection of amounts received and outstanding;
- Attending multiple calls with Cassels regarding ad-hoc issues with certain key vendors of the Applicants;
- Supporting negotiations between ColdHaus Direct Inc. (“ColdHaus”) and BioSteel for amounts owed between parties, including attending multiple calls with Cassels, ColdHaus, Aird & Berlis LLP (ColdHaus’ legal counsel) and BioSteel to discuss the situation and relevant positions;
- Review and providing input in Notice of Motion filed in connection with ColdHaus dispute;

- Responding to emails and ad-hoc calls from creditors, vendors, and sponsors regarding various matters;
- Dealing with police matters regarding the break-in and theft that occurred at the Biosteel Toronto head office;
- Correspondence with RBC regarding reimbursement of their legal fees incurred in the proceedings;
- Coordinating with Canopy and the CRA regarding an audit of the Companies' HST accounts, including attending calls on January 4, 5, and 16, 2024;
- Correspondence with Coachwood regarding [REDACTED] including attending a call on January 23, 2024;

### Cash Management Processes

- Maintaining an updated projected Statement of Cash Flow for BioSteel and corresponding extensively with BioSteel and Canopy in connection with same;
- Monitoring the Applicants' daily receipts and disbursements, including tracing bank transaction activity to approved payments;
- Preparing and reviewing a cash flow variance analysis for the weeks ended January 5, 12, 19, and 16, 2024;
- Updating a daily cash tracker;
- Working with Bank of Montreal and Royal Bank of Canada in connection with transferring transaction proceeds into the Monitor's designated trust accounts.
- Attending semi-weekly calls with the Applicants to review proposed payments and discuss ad-hoc vendor issues;
- Preparing proposed payment packages including payment details and supporting invoices for payment approval;
- Reviewing various ad-hoc requests from the Applicants regarding proposed payments;

### Other

- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

\* \* \*

Total fees and disbursements per attached time summary	\$	60,737.75
HST		<u>7,895.91</u>
Total Due	\$	<u>68,633.66</u>

KSV Restructuring Inc.  
BioSteel Sports Nutrition Inc.

**Time Summary**

For the period ended January 31, 2024

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Noah Goldstein	750	7.25	5,437.50
Robert Harlang	650	32.50	21,125.00
Ross Graham	550	27.40	15,070.00
Meg Ostling	475	37.75	17,931.25
Other staff and administration		4.50	954.00
Total Fees		109.40	60,517.75
Add: Out of Pocket Disbursements			
Ascend fee			220.00
Total Fees and Disbursements			<u>60,737.75</u>

**Wire Instructions**

Pay to: KSV Restructuring Inc.  
220 Bay Street, Suite 1300  
Toronto, ON M5J 2WK

Bank: BMO Bank of Montreal  
First Canadian Place, 42nd Floor  
Toronto, ON M5X 1A3

Bank No.: 001  
Transit (ABA): 32132  
Account No.: 1995-665  
Swift Code: BOFMCAM2





**Noah Goldstein**  
**ksv advisory inc.**

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ngoldstein@ksvadvisory.com  
ksvadvisory.com

---

March 28, 2024

**DELIVERED BY EMAIL**

BioSteel Sports Nutrition Inc.  
87 Wingold Avenue, Suite 1  
Toronto, ON M6B 1P8

**Re: BioSteel Sports Nutrition Inc., BioSteel Sports Nutrition USA LLC, and  
BioSteel Manufacturing LLC (the "Applicants")**

Enclosed please find our invoice for services rendered for the period ended February 29, 2024 in respect of the Applicants' proceedings under the *Companies' Creditors Arrangement Act*.

For your convenience, we have included our wire instructions on the invoice.

Yours very truly,

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS COURT-APPOINTED  
MONITOR OF BIOSTEEL SPORTS NUTRITION INC.,  
BIOSTEEL SPORTS NUTRITION USA LLC, AND  
BIOSTEEL MANUFACTURING LLC  
AND NOT IN ITS PERSONAL CAPACITY**

Per: Noah Goldstein  
NG:rk  
Encl(s)



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---

## INVOICE

BioSteel Sports Nutrition Inc.  
c/o KSV Restructuring Inc.  
220 Bay Street, 13<sup>th</sup> Floor  
Toronto ON M5J 2W4

March 28, 2024

Invoice No: 3589  
HST #: 818808768 RT0001

**Re: BioSteel Sports Nutrition Inc., BioSteel Sports Nutrition USA LLC, and BioSteel Manufacturing LLC (“BioSteel or the “Applicants”)**

For professional services rendered for the period ended February 29, 2024 by KSV Restructuring Inc. (“KSV”) in connection with the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

### General

- Corresponding with Bennett Jones LLP (“Bennett Jones”), the Monitor’s legal counsel, Cassels Brock & Blackwell LLP (“Cassels”), counsel to the Applicants, and Akin Gump Strauss Hauer & Feld LLP (“Akin”), US counsel to the Applicants, concerning all matters in the CCAA proceedings, including regular calls and emails as more specifically outlined below;
- Preparing and finalizing the fourth report of the Monitor dated February 17, 2024 (the “Fourth Report”);
- Preparing the appendices to the Fourth Report;
- Corresponding extensively with Bennett Jones, Cassels and Akin regarding the Fourth Report;
- Attending Court (virtually) on February 23, 2024 regarding the sale of the remaining inventory;

### Operational Matters

- Attending multiple calls with management to facilitate inventory sales and maintaining vendor prepayments for continued services;

- Reconciling and updating accounts receivable balances on a weekly basis in reflection of amounts received and outstanding;
- Attending multiple calls with Cassels regarding ad-hoc issues with certain key vendors of the Applicants;
- Supporting negotiations between ColdHaus Direct Inc. (“ColdHaus”) and BioSteel for amounts owed between parties, including attending multiple calls with Cassels, ColdHaus, Aird & Berlis LLP (ColdHaus’ legal counsel) and BioSteel to discuss the situation and relevant positions;
- Attending multiple calls and correspondence with BioSteel Sports Inc. regarding its purchase of the remaining inventory, including:
  - Preparing the appendices to the finalized spot sale agreement;
  - Calculating amounts owed on sale and communicating to the various parties;
  - Coordinating logistics and warehousing for the buyer after closing; and
  - Collecting sale proceeds and facilitating the transfer of inventory.
- Responding to emails and ad-hoc calls from creditors, vendors, and sponsors regarding various matters;
- Correspondence with RBC regarding [REDACTED]
- Coordinating with Canopy and the CRA regarding an audit of the Companies’ HST accounts, including attending calls on February 14, 15, 16, 2024;

### **Cash Management Processes**

- Maintaining an updated projected Statement of Cash Flow for BioSteel and corresponding extensively with BioSteel and Canopy in connection with same;
- Monitoring the Applicants’ daily receipts and disbursements, including tracing bank transaction activity to approved payments;
- Preparing and reviewing a cash flow variance analysis for the weeks ended February 2, 9, 16, and 23, 2024;
- Attending weekly calls with the Applicants to review proposed payments and discuss ad-hoc vendor issues;
- Preparing proposed payment packages including payment details and supporting invoices for payment approval;
- Reviewing various ad-hoc requests from the Applicants regarding proposed payments;

### **Other**

- Convening internal meetings; and

- Dealing with all other matters not otherwise referred to herein.

\* \* \*

Total fees and disbursements per attached time summary	\$	67,841.82
HST		<u>8,819.44</u>
Total Due	\$	<u>76,661.26</u>

KSV Restructuring Inc.  
BioSteel Sports Nutrition Inc.

**Time Summary**

For the period ended February 29, 2023

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Noah Goldstein	750	24.75	18,562.50
Robert Harlang	650	33.00	21,450.00
Ross Graham	550	29.40	16,170.00
Meg Ostling	475	22.25	10,568.75
Other staff and administration		4.25	849.75
Total Fees		113.65	67,601.00
Add: Out of Pocket Disbursements			
Meals and travel			136.86
Postage			0.92
Courier			54.24
Telephone			48.80
Total Disbursements			240.82
Total Fees and Disbursements			67,841.82

This is Exhibit "B" referred to in the  
Affidavit of Noah Goldstein sworn before  
me, this 4<sup>th</sup> day of April, 2024



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Catherine Anne Stuyck-Therault, a Commissioner, etc.,  
Province of Ontario for KSV Advisory Inc. and KSV Restructuring Inc.  
Expires February 19, 2025

**BioSteel Sports Nutrition Inc., BioSteel Manufacturing LLC, and BioSteel Sports Nutrition USA LLC**  
**Schedule of Professionals' Time and Rates**  
**For the Period of September 1, 2023 to February 29, 2024**

Name	Role	Hours	Billing Rate (Per Hour)	Total Fees by Professional (\$)
Noah Goldstein	Overall Responsibility	380.20	\$ 700 - 750	267,740.00
David Sieradzki	Overall Responsibility	36.25	\$ 700 - 750	25,375.00
Robert Harlang	Mandate Assistance	106.80	\$ 650	69,420.00
Ross Graham	All aspects of mandate	601.70	\$ 500 - 550	303,690.00
Meg Ostling	All aspects of mandate	387.75	\$ 425 - 475	167,793.75
Maha Shah	All aspects of mandate	9.10	\$ 450	4,095.00
Other staff and administrative		125.20	\$ 175 - 525	63,116.00
Total hours				1,647.00
Total fees				<u>\$ 901,229.75</u>
Average hourly rate				547.19

## **Appendix “C”**



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC.,  
BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL  
SPORTS NUTRITION USA LLC

(the “**Applicants**”)

**FEE AFFIDAVIT  
(Sworn April 4, 2024)**

I, Sean Zweig, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND  
SAY:**

1. I am a partner at the law firm of Bennett Jones LLP, counsel for KSV Restructuring Inc., in its capacity as the Court-appointed Monitor in the above-noted proceeding (in such capacity, the “**Monitor**”). As such, I have personal knowledge of the matters to which I hereinafter depose in this affidavit. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all cases, believe it to be true.
2. Attached hereto as **Exhibit “A”** are copies of the Statements of Account rendered by Bennett Jones in connection with its role as counsel to the Monitor for the period between September 14, 2023 and March 31, 2024. These Statements of Account have been redacted to address matters of confidentiality or privilege.

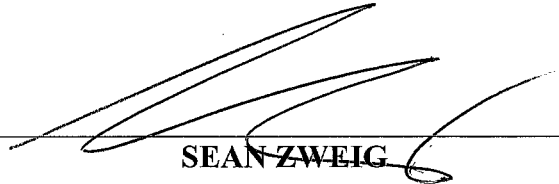
3. Attached hereto as **Exhibit “B”** is a table summarizing the aforementioned Statements of Account for the fees and disbursements incurred by Bennett Jones in connection with these proceedings for the period between September 14, 2023 and March 31, 2024.
4. Attached hereto as **Exhibit “C”** is a table detailing, among other things, the hourly rates and the time expended by the various professionals at Bennett Jones who have worked on this matter for the period between September 14, 2023 and March 31, 2024.
5. The total legal fees (exclusive of disbursements and general and harmonized sales taxes) billed by Bennett Jones for the aforementioned accounts to March 31, 2024, in connection with its role as counsel to the Monitor, are \$795,762.50. To the best of my knowledge, the rates charged by Bennett Jones are comparable to the rates charged for the provision of services of a similar nature and complexity by other large legal firms in the Toronto market.
6. This Affidavit is made in support of approval of the fees and disbursements of Bennett Jones as counsel to the Monitor, and for no other or improper purpose.

**SWORN** by Sean Zweig before me in the City of Toronto, in the Province of Ontario.



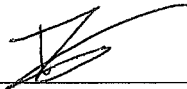
**THOMAS GRAY**

Commissioner for Taking Affidavits  
(or as may be)



**SEAN ZWEIG**

THIS IS **EXHIBIT "A"** REFERRED TO IN  
THE AFFIDAVIT OF SEAN ZWEIG,  
SWORN BEFORE ME THIS 4<sup>th</sup> DAY OF APRIL, 2024.



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**THOMAS GRAY**

A Commissioner for taking Affidavits  
(or as may be)



Bennett Jones

Bennett Jones LLP  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

**Attention: Noah Goldstein  
Managing Director**

Re: Project Steel  
Our File Number: 074735.00045

Date: October 11, 2023  
Invoice: 1536350B

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**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	90,004.00
Disbursements	\$	105.50
Other Charges	\$	16.25
Total Due before Tax	\$	90,125.75
GST/HST	\$	11,716.35
<b>Total Due in CAD</b>	<b>\$</b>	<b>101,842.10</b>

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com). GST/HST number: 119346757 QST number: 1230818653



Date	Name	Description	Hours
14/09/23	Michelle Galati	Reviewing media coverage, and preparing briefing note to internal team	1.60
14/09/23	Thomas Gray	Reviewing Endorsement and issued Order; Reviewing contracts and emails regarding same; Updating Service List	0.70
14/09/23	Jesse Mighton	Email correspondence regarding finalizing materials; Preparing for and attending application for Initial Order via Zoom; Attending to post-hearing administration; Extensive correspondence regarding various post-filing matters; Email correspondence regarding Service List; Reviewing media report; Considering SISP issues; Reviewing comeback hearing draft materials and considering issues relating to same	7.50
14/09/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering final Pre-Filing Report; Finalizing same; Finalizing affidavit of service; Coordinating upload of same to CaseLines; Filing same; Assisting with hearing generally; Reviewing and considering Endorsement; Reviewing and commenting on draft affidavit; Reviewing and considering draft SISP order; Discussions with J. Mighton throughout the day; Reviewing and considering revised SISP; Coordinating blackline	5.40
14/09/23	Sean Zweig	Preparing for and attending at hearing; Various follow-up correspondence; Reviewing press releases issued; Reviewing Order and Endorsement granted; Reviewing and commenting on notices to be sent by KSV; Reviewing letter [REDACTED], and correspondence regarding same; Correspondence with Greenhill; Reviewing email regarding lien issue, and discussing same; Reviewing media coverage; Reviewing draft Amended and Restated Initial Order and Affidavit, and discussing same	3.30
15/09/23	Michelle Galati	Preparing updated media report	0.80
15/09/23	Thomas Gray	Emails regarding file and updates to Service List	0.30
15/09/23	Aiden Nelms	Reading and responding to file related emails; Further reviewing and considering revised SISP; Coordinating further blacklines; Further reviewing and commenting on draft Amended and Restated Initial Order; Reviewing and considering draft Notice of Motion; Revising Service List throughout the day; Dealing with other file related matters	2.40



Date	Name	Description	Hours
		throughout the day	
15/09/23	Jane Sergievskaya	Reviewing NWT Bank Act search; Email correspondence	0.20
15/09/23	Sean Zweig	Reviewing revised SISP and discussing same; Reviewing KSV's comments on Affidavit; Reviewing further revised Amended and Restated Initial Order; Reviewing draft Notice of Motion; Reviewing letter to Flow; Emails with counsel to Canopy class action; Reviewing materials served; Reviewing media coverage; Various discussions with each of KSV and Cassels	2.30
17/09/23	Aiden Nelms	Reading and responding to file related emails; Discussions with J. Mighton; Reviewing and commenting on draft First Report; Reviewing and considering J. Mighton's comments on same; Reviewing and considering S. Zweig's comments on same; Consolidating internal working group comments and coordinating a clean and blackline	3.50
17/09/23	Jesse Mighton	Reviewing draft First Report; Considering issues relating to same; Internal correspondence regarding same	2.00
17/09/23	Sean Zweig	Reviewing and commenting on draft First Report; Discussing same; Reviewing revised draft of same	2.00
18/09/23	Fatima Kawar	Telephone call with D. Rotchtin regarding security opinion; Discussions with J. Sergievskaya and A. Nelms regarding same; Reviewing security documents	1.40
18/09/23	Michelle Galati	Preparing further media report	0.50
18/09/23	Aiden Nelms	Reading and responding to file related emails; Revising Service List throughout the day; Phone call with J. Mighton; Preparing for and participating in all-hands weekly call; Reviewing and considering [REDACTED]; Reviewing and considering Chapter 15 day 1 pleadings; Reviewing and commenting on draft Factum; Reviewing and consolidating working group's comments; Coordinating clean and blackline for Cassels	5.00
18/09/23	Jane Sergievskaya	Reviewing NWT execution search	0.10
18/09/23	Jesse Mighton	Reviewing draft factum; Email correspondence	2.50

Date	Name	Description	Hours
		regarding various process items; Dealing with draft Monitor's Report	
18/09/23	Thomas Gray	Reviewing correspondence regarding stay parties	0.20
18/09/23	Preet Gill	Internal correspondence regarding research matter; Reviewing and providing comments and proposed revisions on draft factum for ARIO	1.80
18/09/23	Sean Zweig	Internal discussion regarding security opinion; Various discussions with N. Goldstein; Call with Cassels, KSV and Akin regarding update and next steps; Reviewing Chapter 15 materials; Various correspondence with and regarding counsel for class action plaintiffs, and considering same; Reviewing and commenting on draft factum; Reviewing comments from Cassels on draft First Report, and revised drafts of same; Other correspondence	3.70
18/09/23	David Rotchtin	Discussing preparation of draft security review opinion with F. Kawar	0.80
19/09/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering draft Report and related mark-ups; Commenting on same; Preparing for and participating in U.S. hearing via video conference; Updating Service List throughout the day; Finalizing Report; Drafting and revising note to Service List and coordinating service of same; Discussions with J. Mighton and S. Zweig throughout the day	3.10
19/09/23	Fatima Kawar	Reviewing security documents and searches and drafting security opinion; Email exchanges with J. Sergievskaya regarding same	3.50
19/09/23	Jane Sergievskaya	Reviewing and revising security opinion (searches and registration sections); Compiling schedules to opinion letter; Email correspondence	0.80
19/09/23	Jesse Mighton	Reviewing Chapter 15 petition materials; Attending U.S. hearing in South District of Texas (via video conference); Email correspondence regarding Monitor's First Report; Email correspondence regarding Service List additions; Finalizing Monitor's Report for service	5.50
19/09/23	Preet Gill	Phone call with S. Zweig regarding research issue; Reviewing materials for same	0.50





Date	Name	Description	Hours
19/09/23	Thomas Gray	Reviewing materials and correspondence on file	0.30
19/09/23	Sean Zweig	Various correspondence with Cassels and KSV throughout day; Call with P. Bell regarding [REDACTED] and considering same; Reviewing revised First Report, and discussing same; Call with N. Levine regarding loyalty program and certain promotions; Various discussions with N. Goldstein; Attending Chapter 15 hearing; Reviewing final factum	3.50
20/09/23	Jane Sergievskaya	Revising schedules to opinion letter; Email correspondence	0.10
20/09/23	Aiden Nelms	Reading and responding to file related emails; Finalizing Report and dealing with hyperlinking same; Coordinating upload to CaseLines; Drafting and revising Affidavit of Service; Finalizing same; Attending to filing of same; Discussions with S. Zweig and J. Mighton throughout the day; Updating Service List throughout the day; Reviewing and considering materials in connection with upcoming hearing; Reviewing and considering U.S. Court Orders	2.60
20/09/23	Fatima Kawar	Reviewing schedules prepared by J. Sergievskaya and updating security opinion; Circulating drafts to D. Rotchtin for review	0.40
20/09/23	Jesse Mighton	Preparing for comeback hearing; Email correspondence regarding hearing attendance and Service List matters	1.80
20/09/23	Preet Gill	Reviewing and analyzing provisions of asset purchase agreement, and considering [REDACTED]; Conducting related analysis, and review of related materials including correspondence from Flow; Internal discussions regarding same	2.50
20/09/23	Sean Zweig	Correspondence regarding upcoming hearing and related matters; Calls and email with each of KSV and Cassels; Preparing for hearing; Reviewing Orders granted in Chapter 15 proceeding; Discussion with P. Gill regarding [REDACTED]	1.90
21/09/23	Aiden Nelms	Reading and responding to file related emails; Discussions with internal working group; Preparing for and attending Court hearing via video conference; Reviewing and considering draft SISP CIM; Discussions with J. Mighton regarding same;	3.10



Date	Name	Description	Hours
		Reviewing and considering certain material agreements in connection with same	
21/09/23	Jesse Mighton	Email correspondence regarding Service List requests; Reviewing revisions to draft Order; Preparing for and attending comeback hearing	1.50
21/09/23	Sean Zweig	Emails in connection with upcoming hearing; Reviewing updated draft of ARIO; Preparing for and attending at comeback hearing; Reviewing Endorsement and Orders granted; Various discussions with N. Goldstein; Call with R. Jacobs; Considering issue in connection with U.S. proceeding; Reviewing draft letter [REDACTED], considering same and discussing same; Reviewing draft CIM, and discussing same; Reviewing draft inventory liquidation strategy	5.20
22/09/23	Sean Zweig	Various discussions with N. Goldstein; Reviewing correspondence sent to various creditors/claimants; Reviewing email from counsel to NHLPA, correspondence regarding same and considering same	1.40
22/09/23	Thomas Gray	Reviewing Endorsement and issued Orders	0.20
23/09/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and commenting on draft NHLPA NDA	0.90
23/09/23	Sean Zweig	Call with R. Jacobs regarding NHL issue; Considering same and next steps; Reviewing and commenting on draft NDA for NHLPA; Correspondence regarding same; Various other correspondence	1.30
24/09/23	Sean Zweig	Call with NHL; Follow-up call; Correspondence with each of R. Jacobs and N. Goldstein	1.00
25/09/23	Michelle Galati	Drafting media report	0.60
25/09/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering News Scan and reviewing articles in connection with same; Reviewing and considering Notice of Appearance; Updating Service List in connection with same	1.70
25/09/23	Sean Zweig	Reviewing information provided by BioSteel to NHL regarding inventory levels, etc.; Correspondence regarding U.S. lien issue, and considering same; Correspondence with Cassels and KSV	0.90



Date	Name	Description	Hours
25/09/23	Thomas Gray	Reviewing Notice of Appearance and summary of media	0.10
26/09/23	Jesse Mighton	Reviewing correspondence with various stakeholders; Considering issues relating to same	1.00
26/09/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering correspondence and related documents in connection with cancelled contest; Updating Service List in connection with RBC special loans assignment; Reviewing and considering correspondence regarding Allen Distribution; Reviewing and considering draft letter to be sent in response to email regarding same	1.50
26/09/23	Sean Zweig	Reviewing email from N. Levine regarding various issues, considering same, discussing same, and responding to same; Reviewing letter from RBC; Reviewing and considering draft response to Torys; Reviewing and considering draft letter to Allen Distribution; Discussions with N. Goldstein	2.20
27/09/23	Sean Zweig	Reviewing letter to Allen Distribution and response to same; Discussion with R. Jacobs regarding same; Reviewing [REDACTED] and proposed approach to same; Discussing same; Discussion with N. Goldstein	0.90
28/09/23	Jesse Mighton	Discussions regarding stakeholder communications; Reviewing draft agreement and discussions with S. Zweig regarding same	1.00
28/09/23	Sean Zweig	Various correspondence regarding Allen Distribution, and considering same; Reviewing and commenting on draft agreement in connection with same; Discussions with N. Goldstein regarding multiple issues	1.70
29/09/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering Sponsorship Agreement summaries in light of letter received; Discussions with internal working group regarding same	0.70
29/09/23	Jesse Mighton	Reviewing email correspondence regarding stakeholder enquiries; Preliminary review of draft SISP materials	1.50
29/09/23	Thomas Gray	Reviewing correspondence regarding sponsorship agreement	0.10
29/09/23	Sean Zweig	Reviewing letter [REDACTED], and internal	2.90



Date	Name	Description	Hours
		discussion in connection with same; Reviewing and considering draft form of APA; Discussing same with J. Mighton; Reviewing letter from Cassels	
		Total Hours	105.90
		Total Professional Services	\$ 90,004.00

Name	Hours
Preet Gill	4.80
Sean Zweig	34.20
David Rotchtin	0.80
Jesse Mighton	24.30
Aiden Nelms	29.90
Thomas Gray	1.90
Fatima Kavar	5.30
Michelle Galati	3.50
Jane Sergievskaya	1.20

Disbursements	Amount
Online Government Service	\$ 105.50
Total Disbursements	\$ 105.50

Other Charges	Amount
Printing	\$ 16.25
Total Other Charges	\$ 16.25
GST/HST	\$ 11,716.35
Total Due	\$ 101,842.10



Bennett Jones

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

**Attention: Noah Goldstein  
Managing Director**

Re: Project Steel  
Our File Number: 074735.00045

Date: October 11, 2023  
Invoice: 1536350B

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**Remittance Statement**

Professional Services	\$	90,004.00
Disbursements	\$	105.50
Other Charges	\$	16.25
Total Due before Tax	\$	90,125.75
GST/HST	\$	11,716.35
<b>Total Due in CAD</b>	<b>\$</b>	<b>101,842.10</b>



Bennett Jones

Bennett Jones LLP  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

Date: November 9, 2023  
Invoice: 1541083

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PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	117,022.00
Total Due before Tax	\$	<u>117,022.00</u>
GST/HST	\$	15,212.86
Total Due in CAD	\$	<u><u>132,234.86</u></u>

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com). GST/HST number: 119346757 QST number: 1230818653





Date	Name	Description	Hours
02/10/23	Michelle Galati	Reviewing ongoing media reports	0.30
02/10/23	Jesse Mighton	Reviewing draft SISP materials; Internal discussions regarding same	4.00
02/10/23	Sean Zweig	Reviewing draft comments on APA, considering same, and discussing same; Various correspondence in connection with proposed NHL agreement, and considering issues in connection with same; Reviewing correspondence with landlord, and discussing related issue with N. Goldstein; Reviewing additional documents in data room	3.40
02/10/23	Julia Schatz	Emails to and from J. Mighton regarding review of asset purchase agreement and background to sale	0.30
03/10/23	Jesse Mighton	Email correspondence regarding post-filing arrangements; Discussion with A. Nelms regarding same	0.50
03/10/23	Sean Zweig	Discussion with N. Goldstein regarding issue; Considering same and discussing with J. Mighton; Reviewing additional documents in data room; Reviewing the NHL's proposed amendment to arrangement, considering same and discussing same	2.60
04/10/23	Thomas Gray	Reviewing various correspondence	0.10
04/10/23	Jesse Mighton	Further consideration of post-filing arrangements and review of court orders regarding same; Internal correspondence regarding same	1.20
04/10/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering NHL proposal and related attachments; Reviewing and considering ARIO in connection with same; Discussions with J. Mighton	1.30
04/10/23	Sean Zweig	Significant correspondence regarding potential NHL arrangement, considering same and discussing same; Reviewing additional documents in data room; Correspondence regarding Allen Distribution issue, and dealing with same	2.50
04/10/23	Julia Schatz	Reviewing asset purchase agreement	1.70
05/10/23	Sean Zweig	Discussion with R. Jacobs regarding two issues; Considering same; Discussing same with N.	1.40



Date	Name	Description	Hours
		Goldstein	
06/10/23	Julia Schatz	Emails to and from and telephone conversation with J. Mighton regarding review of agreement; Reviewing draft asset sale agreement	1.10
07/10/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering NHL proposal	1.00
07/10/23	Jesse Mighton	Reviewing revisions to stakeholder arrangements and considering issues relating to same	1.00
07/10/23	Sean Zweig	Reviewing revised draft of NHL proposed agreement, considering same and discussing with R. Jacobs	0.50
08/10/23	Sean Zweig	Reviewing and considering revised NHL proposal	0.20
09/10/23	Jesse Mighton	Reviewing revised supply terms and considering issues relating to same	1.00
09/10/23	Aiden Nelms	Reading and responding to file related emails; Reviewing revised proposal from the NHL and related workbooks	0.60
09/10/23	Sean Zweig	Emails with counsel to potential purchaser; Reviewing further revised draft of NHL proposal from A. MacFarlane; Considering same and discussing same	0.50
10/10/23	Michelle Galati	Drafting media report	0.40
10/10/23	Aiden Nelms	Reading and responding to file related emails; Undertaking preliminary review of Greenhill process letter; Discussions with J. Mighton throughout the day	1.30
10/10/23	Jesse Mighton	Reviewing court orders; Video conference with SISP participant's counsel	1.50
10/10/23	Sean Zweig	Call with counsel to potential purchaser; Considering issues raised and discussing same; Emails with counsel to stakeholder; Further emails regarding NHL proposed arrangement; Reviewing draft Greenhill process letter; Emails and calls in connection with same	3.10
11/10/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and commenting on draft process letter; Discussions with J. Mighton regarding same; Considering certain SISP issues	1.50



Date	Name	Description	Hours
11/10/23	Jesse Mighton	Dealing with SISP matters; Discussion with company counsel regarding same	2.50
11/10/23	Preet Gill	Discussing research issues and next steps with S. Zweig	0.20
11/10/23	Sean Zweig	Reviewing additional comments from NHL on proposed arrangement; Discussion with Company and Cassels regarding same; Reviewing revised draft; Reviewing various sets of comments on Greenhill process letter, and discussions regarding same; Call with N. Levine regarding inventory issue; Considering same and discussing same with P. Gill; Further correspondence regarding same; Reviewing U.S. Order granted	2.40
12/10/23	Linda Fraser-Richardson	Conducting case law research	4.50
12/10/23	Preet Gill	Meeting with L. Richardson to discuss research; Reviewing materials and considering issues in respect of same	0.60
12/10/23	Sean Zweig	Various correspondence regarding NHL arrangement; Discussions with each of R. Jacobs and N. Goldstein	0.70
13/10/23	Aiden Nelms	Reading and responding to file related emails	0.60
13/10/23	Sean Zweig	Call with Greenhill regarding SISP update; Follow-up discussions	1.00
13/10/23	Jesse Mighton	Dealing with SISP matters	0.80
14/10/23	Sean Zweig	Call with counsel to purchaser; Considering issues raised; Emails with N. Goldstein	1.60
15/10/23	Linda Fraser-Richardson	Conducting further case law research	3.30
15/10/23	Jesse Mighton	Correspondence regarding SISP and related matters	0.80
15/10/23	Sean Zweig	Various emails regarding SISP; Discussions with each of N. Goldstein and R. Jacobs	1.40
16/10/23	Thomas Gray	Various correspondence	0.30
16/10/23	Linda Fraser-Richardson	Conducting further research	2.60





Date	Name	Description	Hours
16/10/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering bids throughout the day; Discussions with J. Mighton regarding same; Preparing for and participating in all-hands call regarding same	2.90
16/10/23	Jesse Mighton	Reviewing bids; Video conference with advisor team regarding same; Reviewing stakeholder letter and considering issues relating to same; Internal correspondence regarding same	4.50
16/10/23	Preet Gill	Internal correspondence regarding research issues and follow-up case law analysis; Reviewing materials for same	0.30
16/10/23	Sean Zweig	Reviewing bids received; Various discussions with R. Jacobs regarding bids and related issues, and considering same; Calls with N. Goldstein; Reviewing letter from Miller Thomson, considering same and discussing same; Attending all-hands call regarding bids received	5.60
16/10/23	Joseph Blinick	Internal correspondence regarding demand from [REDACTED] and path forward with respect to same; Reviewing and considering demand letter	0.40
17/10/23	Thomas Gray	Emails regarding file and reviewing materials from supplier	0.40
17/10/23	Jesse Mighton	Dealing with stakeholder enquiry; Working on SISPA matters	1.60
17/10/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering correspondence with Miller Thomson regarding potential legal issues; Discussions with T. Gray in connection with transition of file	0.90
17/10/23	Preet Gill	Internal correspondence regarding follow-up case law research; Reviewing materials in respect of same	0.30
17/10/23	Sean Zweig	Various discussions regarding [REDACTED] dispute, reviewing relevant documents and considering same; Discussion with P. Gill regarding research issue; Reviewing additional comments on NHL/NHLPA agreement, and discussing same	2.10
17/10/23	Joseph Blinick	Internal correspondence; Reviewing and	0.90



Date	Name	Description	Hours
		considering manufacturing and purchase agreement and amending agreement; Meeting with J. Mighton to discuss demand letter from Miller Thomson and path forward with respect to same	
18/10/23	John van Gent	Emails from J. Mighton forwarding additional materials to complete security review; Numerous emails to and from M. O'Grady and C. Deschenes concerning Quebec real estate search; Emails to and from D. Rotchtin and M. O'Grady concerning strategy to prepare real estate riders to security opinion	0.20
18/10/23	Sean Zweig	Various correspondence throughout day regarding NHL/NHLPA agreement, and commenting on drafts of same; Discussing [REDACTED]; Reviewing Greenhill deck summarizing bids; Reviewing and considering proposed revised SISP milestones	1.40
18/10/23	Joseph Blinick	Preparing for and participating in call with Cassels regarding [REDACTED] and path forward with respect to same	0.50
19/10/23	Thomas Gray	Reviewing Notices of Appearance received, and updating Service List	0.20
19/10/23	Sean Zweig	Working on NHL/NHLPA agreement throughout day, and many discussions regarding same; Call and emails with Cassels and Greenhill regarding bids and next steps; Discussions regarding [REDACTED] and further considering same; Emails regarding SISP extensions	2.80
19/10/23	Joseph Blinick	Reviewing correspondence from J. Mighton providing status update on supplier dispute; Reviewing responding correspondence from KSV regarding same	0.20
20/10/23	Thomas Gray	Emails regarding file	0.10
20/10/23	Sean Zweig	Various correspondence throughout day in connection with finalizing agreement with NHL and NHLPA; Discussions with each of R. Jacobs and N. Goldstein; Reviewing and commenting on draft note [REDACTED]; Discussion with J. Mighton; Reviewing blackline of bidder APA	1.40
20/10/23	Jesse Mighton	Dealing with SISP matters	0.80



Date	Name	Description	Hours
22/10/23	Jesse Mighton	Dealing with supplier matters; Working on SISP matters	0.70
23/10/23	Michelle Galati	Reviewing updated media coverage	0.60
23/10/23	Thomas Gray	Emails regarding file; Coordinating document review with student	0.30
23/10/23	Joseph Blinick	Reviewing and considering correspondence from Cassels and company; Internal correspondence regarding same	0.20
23/10/23	Jesse Mighton	Dealing with SISP matters; Video conference with N. Levine and S. Zweig regarding supplier issues; Considering issues relating to same	2.00
23/10/23	Sean Zweig	Preparing for and attending call regarding [REDACTED] and considering same; Various correspondence throughout day regarding sale process, bids and related matters; Emails regarding Flow product	1.80
24/10/23	Jordan Oliva	Meeting with J. Mighton to discuss certain due diligence	0.50
24/10/23	Sean Zweig	Reviewing draft responding letter and comments on same; Various correspondence regarding RBC issues	0.40
25/10/23	Thomas Gray	Correspondence regarding dispute and reviewing agreement summary	0.40
25/10/23	Jordan Oliva	Conducting certain due diligence; Cross-referencing invoices and purchase orders	2.50
25/10/23	Preet Gill	Commencing statutory and case law research on issues of right of first offer and right of first refusal provisions within insolvency, in respect of [REDACTED]; Reviewing and analyzing correspondence from [REDACTED] and related materials including asset purchase agreement and relevant provisions therein	2.90
25/10/23	Jesse Mighton	Dealing with SISP issues; Dealing with various stakeholder issues	1.30
25/10/23	Sean Zweig	Various correspondence regarding SISP, bids and related matters; Emails regarding RBC matters; Emails regarding [REDACTED] and considering same; Emails regarding [REDACTED]	2.40



Date	Name	Description	Hours
		[REDACTED] reviewing documents in connection with same, and discussing same	
26/10/23	Thomas Gray	Reviewing information in respect of bids	0.20
26/10/23	Jesse Mighton	Dealing with SISP matters; Dealing with supplier matters; Phone conference with N. Levine	3.00
26/10/23	Preet Gill	Continuing research and analysis into issues of [REDACTED]; Drafting memorandum regarding same, and reviewing materials for memorandum	5.10
26/10/23	Sean Zweig	Reviewing updated bid received; Emails regarding RBC; Emails regarding [REDACTED]; Reviewing memorandum from P. Gill, and considering same; Emails regarding SISP, bids, next steps, etc.	2.30
26/10/23	Joseph Blinick	Reviewing and considering correspondence to and from Cassels regarding issues relating to [REDACTED]	0.20
27/10/23	Sean Zweig	Emails regarding status of bids, etc.; Other correspondence	0.40
28/10/23	Jesse Mighton	Dealing with SISP matters	1.50
28/10/23	Thomas Gray	Reviewing updates to potential bid	0.20
28/10/23	Sean Zweig	Reviewing further revised offer; Correspondence with Cassels	0.70
30/10/23	Thomas Gray	Reviewing updates to APA; Updates to Service List	0.40
30/10/23	Jesse Mighton	Dealing with SISP matters; Multiple video conferences regarding SISP bids	2.50
30/10/23	Preet Gill	Phone call with S. Zweig regarding [REDACTED]; Conducting related research and analysis, including [REDACTED]; Drafting summary analysis and internal correspondence to S. Zweig in respect of same; Conducting case law research on related principles and considering next steps; Drafting further summary analysis and internal correspondence regarding same	3.40
30/10/23	Sean Zweig	Multiple calls and emails with Cassels and Greenhill	5.40

Date	Name	Description	Hours
		regarding status of sale process and next steps; Considering and working on issues in connection with same; Discussion with P. Gill regarding related issue and further considering research; Reviewing revised offers received; Various discussions with each of R. Jacobs and N. Goldstein throughout day; Reviewing certain precedent Chapter 15 recognition orders, and considering transaction structuring	
31/10/23	Thomas Gray	Reviewing correspondence related to updated bids	0.20
31/10/23	Jesse Mighton	Dealing with SISP matters; Multiple video conferences regarding same	2.80
31/10/23	Preet Gill	Internal correspondence regarding case law in respect of [REDACTED]; Conducting further research and analysis on case law authorities in respect of interpretation of same, and applicable legal principles	1.30
31/10/23	Sean Zweig	Reviewing Greenhill deck, and considering same; Attending Special Committee call; Follow-up discussions regarding same; Many discussions with each of R. Jacobs and N. Goldstein; Various discussions regarding [REDACTED]; Emails regarding NBF issue; Reviewing and commenting on draft emails to bidders, and reviewing final versions	4.60
31/10/23	Joseph Blinick	Reviewing correspondence with N. Levine regarding supplier dispute	0.10
Total Hours			134.10
Total Professional Services			\$ 117,022.00

Name	Hours	
Julia Schatz	3.10	
Preet Gill	14.10	
John van Gent	0.20	
Sean Zweig	52.60	
Joseph Blinick	2.50	
Jesse Mighton	34.00	
Aiden Nelms	10.10	
Thomas Gray	2.80	
Linda Fraser-Richardson	10.40	
Michelle Galati	1.30	
Jordan Oliva	3.00	
GST/HST		\$ 15,212.86
TOTAL DUE		\$ <u>132,234.86</u>



Bennett Jones

November 9, 2023  
Page 10

Client: 074735.00045  
Invoice No.: 1541083



Bennett Jones

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

Date: November 9, 2023  
Invoice: 1541083

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Remittance Statement

Professional Services	\$	117,022.00
Total Due before Tax	\$	<u>117,022.00</u>
GST/HST	\$	15,212.86
Total Due in CAD	\$	<u><u>132,234.86</u></u>



Bennett Jones

Bennett Jones LLP  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

Date: December 10, 2023  
Invoice: 1546399

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PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	204,810.50
Disbursements	\$	726.70
Total Due before Tax	\$	<u>205,537.20</u>
GST/HST	\$	26,719.84
Total Due in CAD	\$	<u><u>232,257.04</u></u>

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com). GST/HST number: 119346757 QST number: 1230818653



December 10, 2023  
Page 2Client:  
Invoice No.:074735.00045  
1546399

Date	Name	Description	Hours
01/11/23	Thomas Gray	Reviewing Cassels' comments on bid received	0.30
01/11/23	Kris Hanc	Reviewing purchase agreement and preparing questions/responses regarding same	4.60
01/11/23	Preet Gill	Reviewing correspondence from [REDACTED]; Discussing same with S. Zweig and potential legal arguments; Continuing review and analysis of materials for same; Reviewing draft correspondence and discussing same	3.40
01/11/23	Sean Zweig	Various emails and calls regarding SISP, deposit top-ups, etc.; Call with K. Plunkett; Correspondence regarding [REDACTED]; Reviewing draft Akin letter regarding stay; Reviewing letter from Flow; Various discussions regarding same; Reviewing and commenting on draft response; Discussion with creditor; Reviewing and considering draft APA mark-up; Discussing same; Various other correspondence throughout day	3.90
02/11/23	Thomas Gray	Updates to service list; Reviewing correspondence regarding bids	0.30
02/11/23	Kris Hanc	Further reviewing purchase agreement; Call with J. Mighton; Call with S. Zweig; Correspondence	2.20
02/11/23	Jesse Mighton	Multiple calls regarding SISP matters; Reviewing draft purchase agreements; Reviewing stakeholder correspondence; Internal correspondence regarding same	2.00
02/11/23	Preet Gill	Reviewing correspondence from Flow and considering issues and next steps, including applicable materials	1.30
02/11/23	Sean Zweig	Various discussions throughout day regarding status of transactions, etc.; Reviewing and discussing transaction documents; Reviewing letter from E. Lamek; Considering same and discussing same; Reviewing updated transaction documents	3.70
03/11/23	Thomas Gray	Various emails; Attending call regarding Monitor's Report	0.60
03/11/23	Jesse Mighton	Correspondence with multiple stakeholders; Video conference regarding Monitor's Report; Considering various issues relating to same; Reviewing draft court materials	4.50



Date	Name	Description	Hours
03/11/23	Kris Hanc	Reviewing purchase agreement and compiling comments on same	3.10
03/11/23	Preet Gill	Reviewing correspondence from counsel to Flow and considering same; Conducting research and analysis on same, including [REDACTED] and analysis of SISP materials; Discussing same with S. Zweig; Reviewing and providing revisions on proposed response to DLA Piper on behalf of Flow; Considering issues in respect of same and conducting related research and analysis	5.70
03/11/23	Sean Zweig	Drafting letter to E. Lamek; Discussing same and revising same; Call with Greenhill and others regarding support for sale to be included in Report; Emails and calls regarding SISP and related matters; Reviewing information provided by NBF; Reviewing and commenting on draft Affidavit; Reviewing and commenting on draft response to NBF	4.60
03/11/23	Jordan Oliva	Cross-referencing [REDACTED] orders, past invoices, etc.	3.60
04/11/23	Jesse Mighton	Reviewing draft court materials; Various stakeholder correspondence; Internal correspondence regarding the foregoing	3.00
04/11/23	Thomas Gray	Reviewing and commenting on draft letter; Reviewing and commenting on draft affidavit; Updating service list; Reviewing related materials	2.90
04/11/23	Kris Hanc	Reviewing and revising affidavit; Various correspondence	1.60
04/11/23	Preet Gill	Following up on additional case law in respect of [REDACTED]	0.20
04/11/23	Sean Zweig	Correspondence regarding transaction documents; Working on draft Affidavit and [REDACTED]; Emails regarding bidder inquiry	2.80
05/11/23	Thomas Gray	Call with Monitor regarding Report; Reviewing related materials	0.60
05/11/23	Kris Hanc	Reviewing comments on affidavit; Correspondence	0.50
05/11/23	Jesse Mighton	Video conference regarding Monitor's Report;	1.00



Date	Name	Description	Hours
		Internal correspondence regarding same; Considering various issues regarding same	
05/11/23	Sean Zweig	Reviewing KSV's comments on [REDACTED]; Discussion with N. Goldstein; Call and discussions regarding Report to be drafted	0.80
06/11/23	Thomas Gray	Considering issue related to potential transaction, reviewing SISP and discussing same internally; Reviewing Orders and emails regarding same; Discussions regarding letter; Discussions regarding court materials	4.10
06/11/23	Jesse Mighton	Attention to SISP matters; Working on Monitor's Report; Various stakeholder correspondence; Reviewing draft court materials	4.00
06/11/23	Sean Zweig	Correspondence regarding back-up bid; Discussing issue regarding deposit, and considering same; Reviewing and commenting on draft Orders; Various correspondence regarding status of transactions; Various correspondence in connection with raw material dispute; Reviewing comments from Gregory Packaging on APA; Considering wind-down issue; Emails with K. Plunkett; Various discussions with each of N. Goldstein, R. Jacobs and internal team throughout day	3.80
07/11/23	Thomas Gray	Discussions regarding motion materials and reviewing same; Call with KSV regarding Report; Beginning to work on Report	2.00
07/11/23	Jesse Mighton	Attention to Monitor's Report; Reviewing SISP materials; Considering issues relating to the foregoing	3.50
07/11/23	Sean Zweig	Significant correspondence regarding [REDACTED], and discussions regarding same; Reviewing draft Canopy consent, and discussing same; Call with Cassels and N. Goldstein regarding wind-down issues; Preliminary review of draft Second Report; Reviewing revised drafts of Coachwood APA and GPI APAs; Reviewing N. Levine's comments on [REDACTED] Reviewing and commenting on draft Affidavit; Other discussions and correspondence	4.60
08/11/23	Linda Fraser-Richardson	Researching [REDACTED] issue	6.90



Date	Name	Description	Hours
08/11/23	Thomas Gray	Drafting riders for Report; Reviewing and commenting on Report; Reviewing materials; Discussions regarding motion	3.20
08/11/23	Jesse Mighton	Working on draft Monitor's Report; Dealing with various SISP issues	4.50
08/11/23	Sean Zweig	Working on draft Affidavit and Orders; Call with J. Mighton; Correspondence regarding RBC issues; Working on finalizing APAs; Working on Second Report; Preparing for and attending call regarding wind-down of U.S. entities; Reviewing and commenting on draft AR letter, and discussing strategy; Various discussions with Cassels, KSV and internal teams throughout day	4.10
08/11/23	Kris Hanc	Reviewing GPI Asset Purchase Agreement; Correspondence	2.80
09/11/23	Thomas Gray	Reviewing student research and considering same; Reviewing and commenting on letter; Updates to service list; Emails and discussions regarding file	2.10
09/11/23	Linda Fraser-Richardson	Further research on [REDACTED] issue	1.70
09/11/23	Jesse Mighton	Dealing with SISP; Working on draft Monitor's Report; Email correspondence regarding various work streams	2.20
09/11/23	Sean Zweig	Discussions regarding distributions, and related issues; Considering and discussing [REDACTED]; Reviewing revised Affidavit; Reviewing revised AR letter; Reviewing updated Report; Discussions regarding updated status and next steps; Calls with N. Goldstein	2.30
09/11/23	Kris Hanc	Reviewing asset purchase agreements; Reviewing schedules; Various correspondence	2.40
10/11/23	Michelle Galati	Reviewing updated media coverage	0.10
10/11/23	Thomas Gray	Reviewing final motion record; Call to discuss Report and reviewing comments on same	1.10
10/11/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering motion record returnable November 16; Considering forms of Order associated with same	1.00
10/11/23	Jesse Mighton	Reviewing final purchase agreements; Reviewing	3.80

Date	Name	Description	Hours
		motion record; Working on draft Monitor's Report; Internal video conference regarding same	
10/11/23	Kris Hanc	Reviewing final purchase agreements	2.20
10/11/23	Sean Zweig	Reviewing motion record served; Correspondence regarding NBF; Reviewing N. Goldstein's comments on Report; Calls with N. Goldstein; Reviewing draft bid summary; Call with internal team regarding Second Report; Discussions with R. Jacobs	2.60
11/11/23	Thomas Gray	Reviewing and commenting on draft Report	2.60
11/11/23	Jesse Mighton	Working on draft Monitor's Report	4.50
11/11/23	Sean Zweig	Reviewing and revising draft Second Report; Various correspondence, and considering issues	2.80
12/11/23	Thomas Gray	Continuing to work on Report	1.10
12/11/23	Jesse Mighton	Working on Monitor's Report	2.00
12/11/23	Sean Zweig	Reviewing revised Report and KSV's comments on same; Correspondence regarding confidential bid summary; Reviewing draft factum; Reviewing N. Levine's comments on Report; Various correspondence	2.80
13/11/23	Aiden Nelms	Reading and responding to file related emails; Discussions with internal working group regarding update	0.60
13/11/23	Thomas Gray	Emails and discussions throughout day internally, with KSV, Cassels and Greenhill regarding Report; Multiple rounds of revisions to same; Reviewing and compiling appendices; Updating service list; Reviewing and commenting on factum	6.20
13/11/23	Jesse Mighton	Working on Monitor's Report; Extensive email correspondence and multiple phone calls regarding same; Reviewing court materials	4.00
13/11/23	Sean Zweig	Working on Report and related matters; Dealing with lease assignment matters; Working on factum; Other correspondence regarding various issues	1.90
14/11/23	Thomas Gray	Working on finalizing Report and discussions throughout day regarding same; Serving and filing same	3.70



Date	Name	Description	Hours
14/11/23	Jesse Mighton	Finalizing Monitor's Report; Preparing for court attendance	2.50
14/11/23	Sean Zweig	Dealing with Second Report and finalizing same; Emails with and regarding RBC; Many discussions with each of R. Jacobs and N. Goldstein; Reviewing final factum; Other correspondence	2.40
15/11/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering Monitor's Report; Discussions with T. Gray throughout the day; Reviewing and considering certain mandates with Chapter 15 proceedings in connection with question from Akin; Discussions with T. Gray regarding same	2.40
15/11/23	Thomas Gray	Emails and discussions regarding hearing; Preparing notes on same; Research regarding U.S. issue	3.60
15/11/23	Jesse Mighton	Preparing for sale approval hearing; Meeting with T. Gray regarding same	3.50
15/11/23	Sean Zweig	Discussions regarding purchase price sealing, and considering same; Preparing for hearing	3.20
16/11/23	Thomas Gray	Reviewing materials in advance of hearing; Attending hearing; Reviewing materials served	2.10
16/11/23	Aiden Nelms	Reading and responding to file related emails; Dealing with matters ancillary to court appearance; Dealing with issues generally	0.80
16/11/23	Jesse Mighton	Preparing for and attending sale approval hearing	3.00
16/11/23	Sean Zweig	Reviewing revised forms of Order, and discussing same; Preparing for and attending hearing; Follow-up discussions regarding same; Reviewing Endorsement granted; Emails with J. Mighton	3.00
17/11/23	Thomas Gray	Emails regarding file; Reviewing media reports	0.20
17/11/23	Jesse Mighton	Attention to various transaction matters; Email correspondence regarding same	0.50
17/11/23	Sean Zweig	Various correspondence regarding sale closings, and related issues	1.10
20/11/23	Thomas Gray	Attending U.S. hearing, and follow-up correspondence; Dealing with filing of confidential	2.40

Date	Name	Description	Hours
		appendices; Reviewing closing agendas	
20/11/23	Jesse Mighton	Attending U.S. Hearing; Reviewing closing agendas and considering issues relating to same; Internal correspondence regarding same	3.50
20/11/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering BioSteel Manufacturing transaction closing agenda; Reviewing and considering BioSteel Canada transaction closing agenda	1.80
20/11/23	Kris Hanc	Reviewing and providing comments on BioSteel Manufacturing closing agenda; Reviewing and providing comments on BioSteel Canada closing agenda; Reviewing purchase agreements in connection with same; Various correspondence	2.80
20/11/23	Sean Zweig	Attending at U.S. hearing; Follow-up correspondence regarding same; Discussing and considering next steps in proceeding; Reviewing draft closing agendas and internal comments thereon	2.60
21/11/23	Thomas Gray	Reviewing further edits to closing agenda; Correspondence regarding distribution hearing	0.30
21/11/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering further mark-ups of closing agendas; Consolidating and finalizing same; Reviewing transaction agreement in connection with same	1.40
21/11/23	Jesse Mighton	Reviewing and commenting on closing agendas; Email correspondence regarding same; Dealing with security review	1.20
21/11/23	David Rotchtin	Reviewing and responding to emails regarding security opinion	1.30
21/11/23	Sean Zweig	Various correspondence regarding closing matters; Considering issue in connection with future distribution, and discussing same; Discussion with unsecured creditor	1.40
22/11/23	Jane Sergievskaya	Email correspondence	0.10
23/11/23	Jesse Mighton	Attention to various transaction closing matters; Email correspondence regarding same; Phone conference with J. Bornstein regarding same	0.80



Date	Name	Description	Hours
23/11/23	Sean Zweig	Various correspondence regarding two issues	0.50
24/11/23	Jesse Mighton	Dealing with security review; Email correspondence with company counsel regarding various transaction issues	0.70
24/11/23	Sean Zweig	Emails regarding upcoming [REDACTED]; Considering issue related thereto	0.70
24/11/23	David Rotchtin	Reviewing and responding to emails regarding security opinions, including in relation to U.S. legal opinions	0.80
27/11/23	Jesse Mighton	Dealing with security review issues; Attention to transaction closing issues; Attention to stakeholder issues; Phone conference with J. Bornstein regarding status updates; Reviewing response letter regarding stakeholder issue and attention to same	2.80
27/11/23	Fatima Kawar	Telephone call with D. Rotchtin regarding updates and next steps; Instructing J. Sergievskaya regarding PPSA searches	0.30
27/11/23	Aiden Nelms	Reviewing and responding to file related emails; Reviewing and considering correspondence from G. Azeff; Reviewing and considering related materials	0.60
27/11/23	Jane Sergievskaya	Ordering and reviewing updated PPSA searches; Email correspondence	1.00
27/11/23	David Rotchtin	Discussing required updates to legal opinion and searches with F. Kawar	0.50
27/11/23	Sean Zweig	Correspondence regarding U.S. security opinions; Reviewing letter from G. Azeff, considering same, and correspondence regarding same; Emails regarding transactions status	1.10
28/11/23	Thomas Gray	Updating service list	0.20
28/11/23	Jesse Mighton	Discussing and dealing with stakeholder issues; Attention to transaction closings	2.00
28/11/23	Jane Sergievskaya	Reviewing certified Ontario searches; Email correspondence	0.20
28/11/23	Fatima Kawar	Reviewing updated PPSA searches; Reviewing loan	1.20



Date	Name	Description	Hours
		agreement and security agreement; Updating security opinion and email to D. Rotchtin regarding same	
28/11/23	David Rotchtin	Reviewing and responding to emails regarding U.S. security opinion	0.40
28/11/23	Sean Zweig	Various emails in connection with [REDACTED], considering same, and discussing same; Correspondence regarding transaction closings, and related matters; Reviewing closing documents	2.70
29/11/23	Thomas Gray	Emails and discussions regarding potential settlement	0.40
29/11/23	Fatima Kwar	Discussion with D. Rotchtin regarding next steps; Attending meeting with U.S. counsel regarding security and legal opinion	0.70
29/11/23	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering closing agenda for BioSteel Canada transaction; Reviewing and considering all related closing documents; Internal discussions regarding same; Reviewing and considering closing agenda for BioSteel Manufacturing transaction; Reviewing and considering all related closing documents; Internal discussions regarding same; Discussions with J. Mighton throughout the day; Finalizing Monitor's Certificates and coordinating execution of same	4.90
29/11/23	Jesse Mighton	Discussing and dealing with stakeholder issues; Attention to transaction closings; Video conference with K&L Gates regarding U.S. security review; Multiple phone conferences with D. Rotchtin regarding security review	2.80
29/11/23	David Rotchtin	Calls with U.S. counsel to provide instructions to commence U.S. security review; Calls and emails with Cassels to obtain additional documents required to conduct U.S. security review	2.40
29/11/23	Sean Zweig	Reviewing additional closing documents, and correspondence regarding same; Various discussions regarding closing matters; Discussions in connection with distributions to be made, and related security opinions; Emails regarding [REDACTED] [REDACTED] Correspondence regarding Cold Haus issue, and reviewing related documents	2.30
30/11/23	Thomas Gray	Emails and discussions regarding file	0.20

Date	Name	Description	Hours
30/11/23	Jesse Mighton	Attention to various closing issues; Reviewing issued Orders of U.S. Bankruptcy Court for South District of Texas; Multiple phone conferences with Cassels regarding various transaction issues; Multiple calls with KSV regarding closing matters	4.00
30/11/23	Fatima Kwar	Attending call with U.S. counsel; Telephone call with D. Rotchtin regarding third-party credit agreement review; Email to J. Mighton regarding [REDACTED]	1.00
30/11/23	Aiden Nelms	Reading and responding to file related emails; Dealing with matters related to closing of the BioSteel Canada transaction; Attending to closing of same; Attending to finalizing and filing Monitor's Certificate; Dealing with matters related to closing of the BioSteel Manufacturing transaction; Attending to closing of same; Attending to finalizing and filing Monitor's Certificate; Participating in a variety of conference and closing calls throughout the day; Discussions with J. Mighton throughout day	3.00
30/11/23	David Rotchtin	Many calls and emails with K&L Gates to discuss preparation of U.S. legal opinions relating to U.S. security; Reviewing and commenting on draft Canadian legal opinion	3.20
30/11/23	Sean Zweig	Discussions regarding distributions and security opinions; Many emails in connection with transaction closings and related matters	1.20

Total Hours	244.10
Total Professional Services	\$ 204,810.50

Name	Hours
Kris Hanc	22.20
Preet Gill	10.60
Sean Zweig	62.90
David Rotchtin	8.60
Jesse Mighton	66.30
Aiden Nelms	16.50
Thomas Gray	40.20
Fatima Kwar	3.20
Linda Fraser-Richardson	8.60
Michelle Galati	0.10
Jordan Oliva	3.60
Jane Sergievskaya	1.30

Disbursements	Amount
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<b>Disbursements</b>		<b>Amount</b>
Online Government Service	\$	726.70
Total Disbursements	\$	<u>726.70</u>
GST/HST	\$	26,719.84
TOTAL DUE	\$	<u><u>232,257.04</u></u>



# Bennett Jones

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

Date: December 10, 2023  
Invoice: 1546399

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## Remittance Statement

Professional Services	\$	204,810.50
Disbursements	\$	726.70
Total Due before Tax	\$	<u>205,537.20</u>
GST/HST	\$	26,719.84
Total Due in CAD	\$	<u><u>232,257.04</u></u>



Bennett Jones

Bennett Jones LLP  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

Date: January 9, 2024  
Invoice: 1556167

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PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	117,720.50
Disbursements	\$	329.26
Total Due before Tax	\$	<u>118,049.76</u>
GST/HST	\$	15,346.47
Total Due in CAD	\$	<u><u>133,396.23</u></u>

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com). GST/HST number: 119346757 QST number: 1230818653



Date	Name	Description	Hours
01/12/23	Fatima Kawar	Revising security opinion as per D. Rotchtin's comments; Reviewing draft affidavit regarding security description; Reviewing searches	1.70
01/12/23	Jesse Mighton	Attention to various post-closing matters; Extensive correspondence regarding stakeholder issues; Calls with R. Graham regarding same; Emails and multiple calls regarding security review	4.50
01/12/23	Aiden Nelms	Reviewing and responding to file related emails; Finalizing Monitor's Certificates and filing same	0.80
01/12/23	Preet Gill	Call with J. Mighton regarding issues [REDACTED]; Considering materials in respect of same	0.30
01/12/23	Sean Zweig	Reviewing issued disclaimer; Call with J. Mighton regarding three issues, and considering same; Follow-up correspondence regarding same	1.40
01/12/23	David Rotchtin	Call with K&L Gates to discuss various issues in relation to U.S. security review	1.10
02/12/23	Sean Zweig	Various correspondence in connection with upcoming hearing and Monitor's Report to be prepared; Considering issues related thereto	0.90
04/12/23	Fatima Kawar	Call with D. Rotchtin regarding order and review; Reviewing distribution order and providing comments; Reviewing U.S. security and preparing debt overview	0.80
04/12/23	Jesse Mighton	Reviewing and commenting on draft Monitor's Report; Considering various stakeholder issues and call with N. Levine regarding same; Reviewing draft court materials; Reviewing draft letter to contract counterparties	1.50
04/12/23	Aiden Nelms	Reviewing and responding to file related emails; Reviewing and commenting on draft letter to contract counterparties; Discussion with T. Gray regarding same; Reviewing and commenting on draft order; Consolidating comments in respect of same; Dealing with other issues	2.00
04/12/23	David Rotchtin	Calls and emails with K&L Gates regarding status of U.S. security review; Reviewing draft distribution order and discussing same with F. Kawar	1.80
04/12/23	Sean Zweig	Reviewing draft letter to contract counterparties;	1.20



Date	Name	Description	Hours
		Reviewing and commenting on draft Order; Various discussions with internal team and Monitor throughout day	
05/12/23	Thomas Gray	Reviewing ColdHaus agreements	0.30
05/12/23	Jesse Mighton	Dealing with various stakeholder issues; Ongoing review of court documents	3.50
05/12/23	Aiden Nelms	Reviewing and responding to file related emails; Reviewing and commenting on draft affidavit; Reviewing and commenting on draft distribution order; Internal discussions regarding same	1.70
05/12/23	Fatima Kawar	Reviewing U.S. agreement and security; Reviewing revised distribution order; Email to J. Mighton with comments; Call with D. Rotchtin in connection with security opinion regarding U.S. entities; Reviewing Eskandari affidavit; Email to B. Sargent regarding U.S. security opinion; Instructing J. Sergievskaya to run searches	3.50
05/12/23	David Rotchtin	Reviewing and commenting on draft affidavit; Discussing preparation of further draft opinion with respect to Canadian security agreement signed by U.S. BioSteel entities; Reviewing and responding to emails	1.80
05/12/23	Sean Zweig	Reviewing draft Affidavit and revised draft Order; Various emails and discussions internally regarding same; Other correspondence	2.30
06/12/23	Michelle Galati	Reviewing and summarizing distribution agreements	1.20
06/12/23	Thomas Gray	Discussions regarding disputed agreement; Call with M. Galati regarding same; Emails regarding Service List	0.60
06/12/23	Aiden Nelms	Reviewing and responding to file related emails; Preparing for and participating in videoconference with company counsel and the Monitor regarding distributor dispute; Reviewing and considering background material in respect of same; Continuing to review certain court materials	2.90
06/12/23	Jane Sergievskaya	Ordering and reviewing search results; Email correspondence	0.30
06/12/23	Fatima Kawar	Continuing to prepare security opinion; Reviewing	2.00



Date	Name	Description	Hours
		U.S. opinions; Correspondence with K&L Gates with respect to deliverables	
06/12/23	Jesse Mighton	Dealing with various stakeholder issues; Discussions regarding security review; Ongoing review of draft court materials; Reviewing engagement letter of Monitor's U.S. legal counsel	4.00
06/12/23	David Rotchtin	Reviewing draft of Canadian opinion regarding BioSteel U.S. entities security granted in Ontario; Reviewing drafts of K&L Gates' U.S. opinions; Reviewing and responding to a number of emails	4.30
06/12/23	Sean Zweig	Reviewing internal comments on Order and Affidavit, and providing further comments; Various correspondence and discussions in connection with security reviews, and related issues; Reviewing drafts of same; Reviewing [REDACTED] [REDACTED] [REDACTED], and correspondence regarding same; Preliminary review of Third Report	3.60
07/12/23	Thomas Gray	Reviewing contract summaries; Reviewing contracts and correspondence and updating same; Updates to Service List	1.00
07/12/23	Fatima Kawar	Updating security opinion per D. Rotchtin's comments; Reviewing search results and updating security opinion accordingly; Call with K&L Gates regarding New York registration; Reviewing U.S. searches against BioSteel	1.80
07/12/23	Michelle Galati	Continuing reviewing and drafting contract summaries	3.90
07/12/23	Jane Sergievskaya	Reviewing and summarizing PPSA search results; Email correspondence	0.30
07/12/23	Aiden Nelms	Reviewing and responding to file related emails; Reviewing and commenting on draft Report; Reviewing and considering J. Mighton's comments; Consolidating same; Internal discussions regarding [REDACTED]	2.90
07/12/23	David Rotchtin	Multiple calls and emails with K&L Gates and Cassels to address questions regarding Canopy's UCC filings in New York state; Further commenting on draft affidavit; Reviewing further revised draft opinions	3.60
07/12/23	Sean Zweig	Dealing with U.S. security opinion issues, and	1.40



Date	Name	Description	Hours
		many calls and emails related thereto	
08/12/23	Michelle Galati	Continuing reviewing and summarizing distribution agreements	0.70
08/12/23	Thomas Gray	Reviewing contract summaries and contracts and related correspondence; Reviewing motion materials	0.70
08/12/23	Fatima Kwar	Reviewing updated U.S. security opinion and email to D. Rotchtin regarding same; Telephone call with D. Rotchtin regarding final security opinions and search results	2.50
08/12/23	Jane Sergievskaya	Compiling schedules to opinion letters; Email correspondence	0.50
08/12/23	Aiden Nelms	Reviewing and responding to file related emails; Reviewing and considering [REDACTED]; Further commenting on and revising Report; Coordinating further review by banking team; Reviewing and considering banking team's comments on Report; Discussions with J. Mighton throughout the day	3.30
08/12/23	Jesse Mighton	Reviewing motion record; Ongoing review and comments to draft Monitor's Report; Dealing with various stakeholder issues; Finalizing security opinions and email correspondence regarding same	3.80
08/12/23	Sean Zweig	Correspondence regarding U.S. security opinions; Reviewing and commenting on draft Third Report; Reviewing revised draft of Third Report; Correspondence with KSV regarding same	2.30
08/12/23	David Rotchtin	Reviewing and commenting on Monitor's Report; Responding to emails	1.20
09/12/23	Aiden Nelms	Reviewing and responding to file related emails	0.30
10/12/23	Sean Zweig	Correspondence with Cassels regarding non-performance letters, and reviewing same	0.20
11/12/23	Thomas Gray	Updates to Service List and emails regarding file	0.20
11/12/23	Jesse Mighton	Reviewing comments on draft Monitor's Report; Email correspondence with KSV regarding same; Multiple calls regarding various work streams; Dealing with various stakeholder issues	4.00

Date	Name	Description	Hours
11/12/23	Aiden Nelms	Reviewing and responding to file related emails; Reviewing and considering Cassels' comments on Third Report; Preparing for and participating in call with internal working group in connection with same; Further revising Third Report; Reviewing and considering incremental working group comments on Third Report; Reviewing and considering [REDACTED]; Multiple turns of Third Report in connection with same	3.60
11/12/23	Fatima Kwar	Call with D. Rotchtin regarding Cassels' comments to Third Report of the Monitor; Reviewing Cassels' comments and revising accordingly	1.10
11/12/23	Sean Zweig	Reviewing comments from Cassels on Report; Various emails, discussions and calls with internal team and N. Goldstein regarding same and related issues; Reviewing draft cash flow report; Reviewing and commenting on revised drafts of Report; Emails regarding confidential appendix	3.00
12/12/23	Thomas Gray	Emails and discussions regarding potential settlement and related research; Reviewing Report	0.80
12/12/23	Aiden Nelms	Reviewing and responding to file related emails; Reviewing and revising final version of the Third Report; Hyperlinking final PDF of the Third Report; Drafting and revising correspondence to the Service List; Drafting and revising Affidavit of Service; Attending to filing of Third Report; Reviewing and commenting on draft Factum; Reviewing and considering J. Mighton's comments on same; Consolidating mark-up; Reviewing and considering further revised draft of Factum; Internal discussions regarding same	3.30
12/12/23	Jesse Mighton	Finalizing Monitor's Report; Call with stakeholder counsel and internal correspondence regarding same; Considering issues regarding same; Reviewing draft court materials and correspondence regarding same	3.50
12/12/23	Sean Zweig	Correspondence in connection with finalizing Third Report; Reviewing final Third Report; Reviewing drafts of factum and comments thereon; Emails regarding payment of Greenhill success fee and transfer of cash, and considering same	2.10
13/12/23	Thomas Gray	Updates to Service List; Emails regarding motion;	0.50

Date	Name	Description	Hours
		Emails regarding settlement	
13/12/23	Aiden Nelms	Reviewing and responding to file related emails; Reviewing and commenting on letter to be sent to banks; Reviewing and considering motion materials in advance of hearing; Drafting and revising submissions for hearing; Reviewing and considering Third Report and CaseLines references in connection with same; Drafting and revising Affidavit of Service; Attending to filing of Third Report	3.00
13/12/23	Jesse Mighton	Considering stakeholder issues; Reviewing research regarding same; Reviewing motion materials in preparation for Distribution Order hearing	2.50
13/12/23	Sean Zweig	Discussions with each of R. Jacobs and N. Goldstein; Reviewing and considering draft letter to banks; Correspondence regarding same	0.90
14/12/23	Thomas Gray	Call with J. Mighton and R. Graham to discuss settlement; Emails and discussions regarding file	0.60
14/12/23	Aiden Nelms	Reviewing and responding to file related emails; Finalizing speaking notes for hearing; Continuing to review and consider Report and motion materials in advance of hearing; Participating in Court hearing; Discussions with J. Mighton and T. Gray	2.10
14/12/23	Jesse Mighton	Preparing for and attending hearing regarding Distribution and Expansion of Monitor's Powers Order; Dealing with various stakeholder issues	2.00
14/12/23	Sean Zweig	Preparing for and attending hearing; Follow-up discussions regarding same; Reviewing Endorsement granted; Emails in connection with liquidation agreement; Emails regarding [REDACTED]	2.80
15/12/23	Thomas Gray	Reviewing issued Endorsement; Reviewing correspondence	0.20
15/12/23	Jesse Mighton	Dealing with various stakeholder issues and internal correspondence regarding same	1.50
15/12/23	Sean Zweig	Discussions regarding distributions, and considering same	0.60



Date	Name	Description	Hours
16/12/23	Jesse Mighton	Email correspondence regarding distribution issues; Considering various issues regarding same	0.80
16/12/23	Sean Zweig	Correspondence regarding distributions and considering issues in connection with same	1.00
18/12/23	Jesse Mighton	Email correspondence regarding various distribution and operating issues	0.50
18/12/23	Phil Ward	Call with S. Zweig and J. Mighton regarding [REDACTED]; Reviewing materials in connection with same	0.30
18/12/23	Sean Zweig	Internal call regarding tax matters, and considering same; Discussions with each of N. Goldstein and R. Jacobs; Reviewing proposed distribution proposal; Emails regarding [REDACTED]	1.70
19/12/23	Thomas Gray	Emails regarding sale agreement and reviewing mark-up on same	0.10
19/12/23	Jesse Mighton	Multiple calls regarding distribution issues; Dealing with various stakeholder issues	3.00
19/12/23	Sean Zweig	Call with Cassels regarding distribution [REDACTED]; Call with N. Goldstein regarding same; Various follow-up correspondence in connection with same, and considering same; Reviewing mark-up of liquidation agreement; Correspondence regarding [REDACTED]; Emails and discussions regarding potential theft	1.60
19/12/23	Phil Ward	Considering Canadian [REDACTED] regarding distributions; Call with S. Zweig, J. Mighton and Cassels regarding same; Call with Z. Nurmohamed regarding same	2.20
20/12/23	Jesse Mighton	Calls regarding distribution issues and considering same; Working on various stakeholder issues and extensive correspondence and multiple calls regarding same	2.00
20/12/23	Phil Ward	Many emails with J. Mighton and K&L Gates regarding U.S. distribution, and considering same	1.10
20/12/23	Sean Zweig	Reviewing distribution proposal; Correspondence regarding same and related matters; Emails with RBC; Various correspondence regarding U.S. distribution, and considering same; Correspondence regarding liquidation agreement;	1.90

Date	Name	Description	Hours
		Emails regarding landlord issue, and reviewing draft letter; Emails regarding creditor issue	
21/12/23	Aiden Nelms	Reviewing and responding to file related emails; Reviewing and considering correspondence from BLG; Updating Service List	0.90
21/12/23	Jesse Mighton	Email correspondence and multiple calls regarding various supplier issues; Emails regarding distribution issues	2.00
21/12/23	Sean Zweig	Correspondence regarding rebate issue, and considering same; Call with Cassels; Follow-up discussion with J. Mighton; Reviewing and responding to letter from BLG; Emails regarding U.S. distribution; Emails regarding landlord issue; Emails regarding upcoming U.S. hearing	1.70
22/12/23	Jesse Mighton	Dealing with various matters; Attending U.S. bankruptcy court hearing regarding recognition order	1.50
22/12/23	Sean Zweig	Reviewing final letter to landlord, and discussing same; Attending U.S. recognition hearing; Correspondence regarding distribution	0.50
27/12/23	Sean Zweig	Correspondence in connection with reimbursement to Canopy for employee wages, and considering same	0.50
28/12/23	Jesse Mighton	Email correspondence regarding alleged theft incident	0.50
28/12/23	Sean Zweig	Correspondence regarding missing assets	0.20
Total Hours			142.70
Total Professional Services			\$ 117,720.50

Name	Hours
Preet Gill	0.30
Sean Zweig	31.80
David Rotchtin	13.80
Phil Ward	3.60
Jesse Mighton	41.10
Aiden Nelms	26.80
Thomas Gray	5.00
Fatima Kavar	13.40
Michelle Galati	5.80
Jane Sergievskaya	1.10



Disbursements		Amount
Online Government Service	\$	329.26
Total Disbursements	\$	<u>329.26</u>
GST/HST	\$	15,346.47
TOTAL DUE	\$	<u><u>133,396.23</u></u>



# Bennett Jones

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

Date: January 9, 2024  
Invoice: 1556167

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## Remittance Statement

Professional Services	\$	117,720.50
Disbursements	\$	329.26
Total Due before Tax	\$	<u>118,049.76</u>
GST/HST	\$	15,346.47
Total Due in CAD	\$	<u><u>133,396.23</u></u>



Bennett Jones

Bennett Jones LLP  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

Date: February 12, 2024  
Invoice: 1558366

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PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	53,268.50
Total Due before Tax	\$	53,268.50
GST/HST	\$	6,924.91
Total Due in CAD	\$	<u>60,193.41</u>

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com). GST/HST number: 119346757 QST number: 1230818653



Date	Name	Description	Hours
02/01/24	Jesse Mighton	Corresponding regarding various issues	0.80
02/01/24	Sean Zweig	Discussion with N. Goldstein; Emails regarding landlord issue	0.50
03/01/24	Jesse Mighton	Dealing with inventory sales; Call regarding stakeholder issues	1.50
04/01/24	Jesse Mighton	Dealing with various matters and email correspondence regarding same	0.90
06/01/24	Sean Zweig	Further correspondence regarding landlord issue and considering next steps	0.40
07/01/24	Jesse Mighton	Email correspondence regarding potential theft	0.20
08/01/24	Jesse Mighton	Drafting correspondence and Notice of Motion regarding alleged theft incident; Internal discussions regarding same	3.50
08/01/24	Aiden Nelms	Reviewing and responding to file related emails	0.50
08/01/24	Sean Zweig	Discussions with J. Mighton regarding landlord issue, and considering same	0.30
09/01/24	Doug Fenton	Speaking with J. Mighton regarding [REDACTED]; Reviewing and commenting on draft Notice of Motion and demand letter	0.40
09/01/24	Jesse Mighton	Considering various issues and internal correspondence regarding same; Finalizing and delivering correspondence regarding landlord issue; Video conference with R. Graham regarding status update	2.20
09/01/24	Sean Zweig	Reviewing and commenting on letter to landlord and Notice of Motion; Correspondence regarding same	1.00
10/01/24	Jesse Mighton	Reviewing operating agreement; Email correspondence regarding same	0.80
11/01/24	Jesse Mighton	Video conference with N. Levine and R. Graham regarding issue; Considering same; Further calls regarding same	1.50
12/01/24	Jesse Mighton	Dealing with ongoing issues; Multiple phone and video conferences regarding same	1.00
14/01/24	Jesse Mighton	Email correspondence regarding ongoing issues	0.30

Date	Name	Description	Hours
15/01/24	Jesse Mighton	Dealing with various ongoing matters; Phone and email correspondence regarding same	0.80
15/01/24	Sean Zweig	Emails and discussion with J. Mighton regarding missing items, and next steps	0.50
16/01/24	Jesse Mighton	Considering various issues; Reviewing documents and email correspondence with R. Graham regarding same	1.20
17/01/24	Jesse Mighton	Working on various open issues and email correspondence regarding same	0.50
17/01/24	Sean Zweig	Reviewing update regarding missing items from premises, and considering next steps	0.40
18/01/24	Sean Zweig	Reviewing correspondence with landlord counsel	0.10
19/01/24	Aiden Nelms	Reviewing and responding to file related emails; Reviewing and considering Court Orders	0.60
19/01/24	Sean Zweig	Reviewing update regarding missing items	0.10
22/01/24	Jesse Mighton	Email correspondence regarding certain open issues; Reviewing materials regarding same	1.00
22/01/24	Sean Zweig	Discussion with J. Mighton regarding various issues and considering next steps; Various correspondence in connection with [REDACTED], and considering same	1.00
23/01/24	Jesse Mighton	Dealing with various issues; Video conference with advisor team regarding same; Considering process issues related to same; Reviewing Canopy consent documents and internal correspondence regarding same	3.30
23/01/24	Sean Zweig	Further correspondence regarding [REDACTED] and discussing next steps; Reviewing draft KingStreet consent, discussing same, and correspondence in connection with same; Discussion with J. Mighton	1.40
23/01/24	David Rotchtin	Preliminary review of draft Canopy loan agreement amendment	1.10
24/01/24	Thomas Gray	Updating Service List; Reviewing correspondence	0.30
24/01/24	Jesse Mighton	Dealing with Canopy consent request; Drafting	2.50

Date	Name	Description	Hours
		Notice of Motion regarding ColdHaus; Email correspondence regarding same; Email correspondence regarding stakeholder issues	
24/01/24	Aiden Nelms	Reviewing and responding to file related emails; Discussing Service List updates with T. Gray; Reviewing and considering Notice of Motion	0.60
24/01/24	David Rotchtin	Call with Cassels regarding Canopy's request for KSV to sign credit agreement amendment on behalf of BioSteel; Reviewing and commenting on draft amendment; Reviewing a number of emails	2.30
24/01/24	Sean Zweig	Dealing with KingStreet consent, including reviewing various drafts, and multiple discussions	1.10
25/01/24	Jesse Mighton	Dealing with various issues; Phone conference with KSV team regarding same; Drafting Notice of Motion and email correspondence regarding same	2.00
25/01/24	David Rotchtin	Reviewing emails regarding Canopy request for execution of amendment by BioSteel entities	0.60
25/01/24	Sean Zweig	Continuing to deal with KingStreet consent; Reviewing and considering draft Notice of Motion in connection with various issues; Discussion with J. Mighton; Reviewing draft letter to S. Shapiro; Other correspondence	1.70
26/01/24	Jesse Mighton	Extensive email correspondence regarding multiple issues	1.50
26/01/24	Doug Fenton	Speaking with J. Mighton regarding [REDACTED] [REDACTED] Emails with S. Zweig, J. Mighton and P. Gill regarding [REDACTED]	0.30
26/01/24	Preet Gill	Reviewing and providing revisions on draft Notice of Motion; Internal correspondence and discussions regarding same, including on revised draft	1.80
26/01/24	Sean Zweig	Reviewing letter from landlord's counsel, and discussing same; Various correspondence in connection with next steps with respect to Coldhaus, and considering same; Reviewing and commenting on draft Notice of Motion, and reviewing comments from others	1.10
28/01/24	Doug Fenton	Reviewing and commenting on draft Notice of Motion; Considering issues regarding [REDACTED]	0.50

Date	Name	Description	Hours
29/01/24	Doug Fenton	Phone call with J. Mighton, S. Zweig and P. Gill regarding Notice of Motion and next steps	0.20
29/01/24	Jesse Mighton	Internal video conference regarding strategic matters; Updating Notice of Motion; Email correspondence regarding stakeholder issues; Drafting correspondence regarding same	2.50
29/01/24	Preet Gill	Internal conference call regarding Notice of Motion in respect of ColdHaus and potential next steps; Reviewing materials in respect of same	0.40
29/01/24	Sean Zweig	Internal call regarding ColdHaus receivable and next steps; Correspondence in connection with other ColdHaus issue; Emails regarding landlord claim; Reviewing and commenting on revised draft Notice of Motion	0.90
30/01/24	Doug Fenton	Reviewing and revising draft Notice of Motion regarding ColdHaus	0.50
30/01/24	Jesse Mighton	Various correspondence; Working on ColdHaus Notice of Motion	2.00
30/01/24	Preet Gill	Internal discussions and correspondence regarding draft Notice of Motion; Reviewing and revising draft Notice of Motion, and considering issues in respect of same	1.20
30/01/24	Sean Zweig	Reviewing comments on Notice of Motion, and revised draft; Correspondence regarding ColdHaus issue; Other correspondence	0.80
31/01/24	Thomas Gray	Reviewing Notice of Motion	0.10
31/01/24	Aiden Nelms	Reviewing and responding to file related emails; Discussions with J. Mighton; Reviewing and commenting on draft Notice of Motion; Finalizing same; Drafting and revising correspondence to the Service List	1.90
31/01/24	Jesse Mighton	Finalizing ColdHaus Notice of Motion; Discussions with KSV regarding various work streams	1.50
31/01/24	Sean Zweig	Reviewing Notice of Motion served	0.10
Total Hours			56.20
Total Professional Services			\$ 53,268.50





Bennett Jones

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

Date: February 12, 2024  
Invoice: 1558366

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Remittance Statement

Professional Services	\$	53,268.50
Total Due before Tax	\$	<u>53,268.50</u>
GST/HST	\$	6,924.91
Total Due in CAD	\$	<u><u>60,193.41</u></u>



Bennett Jones

Bennett Jones LLP  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

Date: March 13, 2024  
Invoice: 1562800

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PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	82,300.00
Disbursements Incurred As Your Agent (Non Taxable)	\$	339.00
Total Due before Tax	\$	<u>82,639.00</u>
GST/HST	\$	10,699.00
Total Due in CAD	\$	<u><u>93,338.00</u></u>

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com). GST/HST number: 119346757 QST number: 1230818653



<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
01/02/24	Jesse Mighton	Dealing with ColdHaus dispute; Email correspondence and call regarding same; Drafting Monitor's Report	1.50
01/02/24	Aiden Nelms	Reviewing and responding to file related emails; Dealing with various file related matters; Discussions with internal working group	0.70
02/02/24	Jesse Mighton	Working on ColdHaus motion	0.50
03/02/24	Jesse Mighton	Drafting report regarding ColdHaus; Reviewing materials regarding same	1.50
06/02/24	Jesse Mighton	Email correspondence regarding ColdHaus dispute; Email correspondence regarding potential inventory sale	0.70
06/02/24	Sean Zweig	Various correspondence in connection with proposed inventory sale, and considering same	0.60
07/02/24	Aiden Nelms	Reviewing and responding to file related emails; Discussions with J. Mighton; Conducting research; Drafting and revising response; Call with N. Levine	2.70
07/02/24	Jesse Mighton	Call with ColdHaus counsel; Multiple calls with BioSteel counsel regarding proposed inventory sale; Internal correspondence regarding same; Dealing with various stakeholder issues	2.00
07/02/24	Sean Zweig	Significant correspondence regarding remaining inventory sale, and considering various alternatives	1.00
08/02/24	Aiden Nelms	Reviewing and responding to file related emails; Preparing for and participating in call with internal working group, Monitor team and company counsel regarding potential Court hearing; Continuing to review and considering Bankruptcy Code, APA and ARIO in connection with same; Dealing with file related issues throughout the day	1.60
08/02/24	Jesse Mighton	Call regarding proposed residual asset sales; Emails and calls regarding ColdHaus claim	1.00
08/02/24	Sean Zweig	Call and emails with KSV and Cassels regarding inventory sale, and further considering same; Reviewing update regarding ColdHaus	1.30
09/02/24	Thomas Gray	Call with J. Mighton regarding motion; Reviewing and considering related materials	0.80





Date	Name	Description	Hours
09/02/24	Aiden Nelms	Reviewing and responding to file related emails; Dealing with issues related to upcoming Court appearance	0.70
09/02/24	Jesse Mighton	Email correspondence regarding inventory sale approval; Call regarding Canopy facility amendments and email correspondence regarding same; Call with T. Gray regarding motion preparation; Email correspondence regarding ColdHaus claim	1.80
09/02/24	David Rotchtin	Reviewing security agreement supplements provided by Cassels, which Canopy requested KSV to sign; Call with Cassels	1.30
09/02/24	Sean Zweig	Further correspondence regarding inventory sale; Emails regarding KingStreet consent, reviewing same and discussing with N. Goldstein	1.20
10/02/24	Thomas Gray	Reviewing materials; Preparing draft Order	1.00
10/02/24	Sean Zweig	Reviewing Notice of Motion served	0.10
11/02/24	Thomas Gray	Emails regarding file	0.10
11/02/24	Jesse Mighton	Internal correspondence regarding motion record	0.50
11/02/24	Sean Zweig	Various correspondence in connection with upcoming motion, and considering related issues	0.50
12/02/24	Thomas Gray	Reviewing draft Order and sale agreement	0.30
12/02/24	Sean Zweig	Emails regarding inventory sales, and related issues	0.30
13/02/24	Thomas Gray	Call to discuss Report with J. Mighton and KSV; Reviewing APA; Preparing rider; Updating Order; Reviewing spot sale agreements and discussions regarding same	4.00
13/02/24	Jesse Mighton	Call with R. Graham and T. Gray regarding draft Report and [REDACTED] Working on various [REDACTED] and email and phone correspondence regarding same	1.80
14/02/24	Thomas Gray	Working on rider and sending to KSV; Working on draft Order and sending to J. Mighton; Emails and discussions regarding file	3.20
15/02/24	Thomas Gray	Working on draft Report, Notice of Motion, and Order; Discussions internally and with KSV	3.80

Date	Name	Description	Hours
		throughout day regarding same	
15/02/24	Aiden Nelms	Reading and responding to file related emails	0.40
15/02/24	Jesse Mighton	Reviewing and commenting on draft Report and motion materials; Extensive correspondence regarding same; Email correspondence regarding [REDACTED]	3.50
16/02/24	Thomas Gray	Working on finalizing motion record throughout day, including Report, Notice of Motion and Order; Discussions internally, with client and Cassels regarding same; Reviewing purchase agreements; Reviewing settlement emails	5.50
16/02/24	Jesse Mighton	Multiple calls regarding various stakeholder issues; Calls regarding finalizing Report; Reviewing revised draft motion materials; Drafting email regarding ColdHaus; Finalizing Report for service	5.50
16/02/24	Sean Zweig	Correspondence regarding tax issue	0.20
17/02/24	Thomas Gray	Working on finalizing motion materials; Serving same	2.40
17/02/24	Jesse Mighton	Finalizing motion; Discussions with T. Gray regarding same	1.50
17/02/24	Sean Zweig	Reviewing motion record served	0.80
19/02/24	Thomas Gray	Emails regarding file	0.10
19/02/24	Jesse Mighton	Email correspondence regarding status updates	0.30
19/02/24	Sean Zweig	Emails with internal team regarding settlement discussions	0.20
20/02/24	Thomas Gray	Various email correspondence	0.30
20/02/24	Jesse Mighton	Call with J. Bornstein regarding asset sale issue	0.50
21/02/24	Thomas Gray	Emails and discussions regarding file; Attending call with Cassels; Reviewing related correspondence	0.70
21/02/24	Jesse Mighton	Email correspondence regarding stakeholder issues; Multiple calls regarding same; Meeting with P. Gill and S. Zweig regarding same; Considering various issues regarding sale approval motion	3.50
21/02/24	Aiden Nelms	Reviewing and responding to file related emails;	0.60

Date	Name	Description	Hours
		Dealing with matter related to upcoming Court hearing	
21/02/24	Preet Gill	Discussion with S. Zweig regarding issue in respect of lien claimant and potential next steps; Reviewing materials and correspondence in respect of same, and conducting related research and analysis; Further discussion with J. Mighton regarding same and next steps	1.80
21/02/24	David Rotchtin	Responding to emails regarding security opinions; Reviewing revisions to Canopy security documents that Canopy requested KSV to sign on behalf of BioSteel entities	1.00
21/02/24	Sean Zweig	Reviewing email from counsel to Allen Distribution; Considering same, and multiple discussions and emails regarding same	0.80
22/02/24	Thomas Gray	Emails and discussions regarding file; Reviewing CaseLines materials and preparing submissions; Call with counsel to Amazon	1.30
22/02/24	Aiden Nelms	Reviewing and responding to file related emails	0.60
22/02/24	Jesse Mighton	Calls and extensive email correspondence regarding Allen Distribution lien claim; Call with J. Satin regarding same; Preparing for sale approval attendance; Dealing with ColdHaus dispute; Call with J. Bornstein and C. Burr regarding post-closing issues	4.50
22/02/24	Sean Zweig	Call with Cassels and J. Mighton regarding upcoming motion and purported lien claim; Many emails and calls throughout day to resolve same; Emails regarding HST issue	1.10
22/02/24	Phil Ward	Drafting email to S. Zweig regarding HST CRA letter	1.00
23/02/24	Thomas Gray	Preparing for and attending hearing; Dealing with service and filing of Order and Endorsement; Emails regarding contract	1.20
23/02/24	Jesse Mighton	Preparing for and attending hearing regarding Remaining Inventory Sale Approval Order; Dealing with ColdHaus dispute	2.20
23/02/24	Aiden Nelms	Reviewing and responding to file related emails; Dealing with file related issues	0.50



Date	Name	Description	Hours
23/02/24	Sean Zweig	Discussion regarding hearing; Reviewing Order and Endorsement granted; Discussion regarding next steps with ColdHaus	0.30
24/02/24	Thomas Gray	Reviewing revised Endorsement and emails regarding same	0.20
24/02/24	Jesse Mighton	Email correspondence regarding Remaining Inventory Order	0.30
26/02/24	Thomas Gray	Emails regarding [REDACTED] and discussing same internally; Emails regarding warehouse issue	0.50
26/02/24	Jesse Mighton	Meeting with J. Berall regarding ColdHaus dispute; Call with S. Eskandari and S. Kukulowicz regarding same; Email correspondence regarding amendments to Canopy security documents	1.30
26/02/24	Jason Berall	Call with J. Mighton regarding background to ColdHaus dispute; Reviewing ColdHaus dispute correspondence and documents; Attending meeting with J. Mighton and BioSteel regarding ColdHaus; Drafting email to J. Mighton with proposed next steps	1.70
26/02/24	Aiden Nelms	Reviewing and responding to file related emails	0.30
26/02/24	Sean Zweig	Various correspondence throughout day regarding Coachwood issue, and considering resolutions to same	0.50
27/02/24	Thomas Gray	Emails regarding contract and reviewing draft letter regarding same	0.50
27/02/24	Jason Berall	Reviewing background documents to ColdHaus claim; Meeting with J. Mighton and J. Ernst regarding research for claim against ColdHaus	1.00
27/02/24	Jesse Mighton	Email correspondence regarding U.S. sale notice; Email correspondence regarding ColdHaus dispute; Internal call regarding ColdHaus dispute; Email correspondence regarding DC Holdings post-closing arrangements	1.70
27/02/24	Jamie Ernst	Call with J. Mighton and J. Berall regarding research questions	0.50
28/02/24	Thomas Gray	Emails regarding file and updating Service List	0.20
28/02/24	Jason Berall	Call with J. Mighton regarding case conference; Drafting case conference form; Correspondence	0.40

Date	Name	Description	Hours
		with J. Mighton regarding same; Reviewing financial summaries	
28/02/24	Jamie Ernst	Researching [REDACTED]	2.10
29/02/24	Thomas Gray	Emails regarding inventory and considering same; Dealing with file issue; Call regarding [REDACTED]	0.60
29/02/24	Jason Berall	Reviewing research regarding procedure for ColdHaus claim; Call with J. Mighton regarding next steps; Reviewing correspondence regarding case conference	0.50
29/02/24	Jesse Mighton	Dealing with ColdHaus dispute; Multiple calls regarding same; Reviewing research regarding same; Email correspondence regarding Remaining Inventory transaction closing; Multiple calls regarding same	3.50
29/02/24	Aiden Nelms	Reviewing and responding to file related emails; Discussions with internal working group	0.40
29/02/24	Jamie Ernst	Researching and drafting memorandum regarding [REDACTED]	2.90
29/02/24	Sean Zweig	Correspondence in connection with ColdHaus dispute and litigation	0.20
Total Hours			98.10
Total Professional Services			\$ 82,300.00

Name	Hours
Preet Gill	1.80
Sean Zweig	9.10
David Rotchtin	2.30
Phil Ward	1.00
Jason Berall	3.60
Jesse Mighton	39.60
Aiden Nelms	8.50
Thomas Gray	26.70
Jamie Ernst	5.50

Disbursements Incurred As Your Agent (Non Taxable)	Amount
Courthouse	\$ 339.00
Total Disbursements Incurred As Your Agent	\$ 339.00
GST/HST	\$ 10,699.00



Bennett Jones

March 13, 2024  
Page 8

Client: 074735.00045  
Invoice No.: 1562800

Total Due \$ 93,338.00



# Bennett Jones

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

Date: March 13, 2024  
Invoice: 1562800

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## Remittance Statement

Professional Services	\$	82,300.00
Disbursements Incurred As Your Agent (Non Taxable)	\$	339.00
Total Due before Tax	\$	<u>82,639.00</u>
GST/HST	\$	10,699.00
Total Due in CAD	\$	<u><u>93,338.00</u></u>





Bennett Jones

Bennett Jones LLP  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

Date: April 2, 2024  
Invoice: 1565717

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PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	130,637.00
Total Due before Tax	\$	<u>130,637.00</u>
GST/HST	\$	16,982.81
Total Due in CAD	\$	<u><u>147,619.81</u></u>

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com). GST/HST number: 119346757 QST number: 1230818653





Date	Name	Description	Hours
01/03/24	Gina Azer	Meeting with J. Berall to discuss research issue, and conducting research regarding same	2.90
01/03/24	Jason Berall	Reviewing research; Corresponding with J. Mighton regarding [REDACTED]; Corresponding with KSV regarding same; Drafting email to Canopy regarding ColdHaus claim; Phone call with G. Azer regarding ColdHaus claim	0.90
01/03/24	Jesse Mighton	Email correspondence; Dealing with ColdHaus dispute	1.00
01/03/24	Jamie Ernst	Drafting memorandum [REDACTED]; Reviewing case law; Email to J. Mighton and J. Berall	5.10
01/03/24	Sean Zweig	Correspondence in connection with ColdHaus litigation	0.20
02/03/24	Jason Berall	Reviewing research regarding [REDACTED]	0.40
03/03/24	Gina Azer	Researching and drafting research memorandum on [REDACTED] and drafting corresponding memorandum to J. Berall	12.20
03/03/24	Sean Zweig	Discussion with N. Goldstein regarding ColdHaus dispute and considering same	0.30
04/03/24	Jason Berall	Drafting email to KSV regarding litigation timetable; Drafting Aide-Mémoire; Corresponding with J. Mighton regarding same; Meeting with KSV regarding case conference; Meeting with KSV regarding background to ColdHaus dispute; Drafting email to S. Babe regarding timetable for motion; Reviewing background materials to prepare for case conference	2.70
04/03/24	Aiden Nelms	Reviewing and responding to file related emails	0.30
04/03/24	Jesse Mighton	Dealing with ColdHaus dispute; Reviewing draft Aide-Mémoire for case conference; Video conferences regarding same; Email correspondence with BioSteel and ColdHaus counsel	2.00
04/03/24	Sean Zweig	Correspondence regarding proposed litigation timetable; Call with KSV and internal team regarding ColdHaus dispute; Follow-up	0.80



Date	Name	Description	Hours
		correspondence; Emails regarding HST audit issue	
04/03/24	Phil Ward	Drafting email to R. Graham regarding sales tax	0.30
05/03/24	Jesse Mighton	Preparing for and attending scheduling hearing regarding ColdHaus; Email correspondence regarding litigation timetable and related matters; Reviewing Endorsement	1.50
05/03/24	Aiden Nelms	Reviewing and responding to file related emails	0.30
05/03/24	Jason Berall	Preparing for and attending case conference; Corresponding with S. Babe regarding timetable; Phone call with J. Mighton regarding next steps; Corresponding with BioSteel counsel regarding timetable; Reviewing Court Endorsement; Drafting update to KSV; Phone call with G. Azer regarding motion materials; Meeting with KSV and G. Azer regarding Report; Corresponding with J. Ernst regarding research for motion	1.80
05/03/24	Gina Azer	Meeting with J. Berall to discuss updates on ColdHaus and BioSteel dispute; Meeting with J. Berall and R. Graham from KSV to discuss the Monitor's Report	0.70
05/03/24	Sean Zweig	Various correspondence with KSV and internal team regarding ColdHaus matters	0.30
06/03/24	Thomas Gray	Reviewing correspondence regarding product dispute	0.20
06/03/24	Jason Berall	Reviewing draft Report; Call with G. Azer regarding draft Report	0.50
06/03/24	Gina Azer	Meeting with J. Berall to discuss drafting certain sections of the Fifth Monitor's Report; Reviewing the Distribution Agreement between ColdHaus and BioSteel, correspondence between J. Mighton and S. Babe, and the Fifth Monitor's Report; Reviewing the ARIO	3.70
06/03/24	Jamie Ernst	Conducting research [REDACTED]	0.60
06/03/24	Sean Zweig	Reviewing Endorsement; Various correspondence with internal team, KSV and Canopy regarding dispute [REDACTED]	0.40
07/03/24	Thomas Gray	Reviewing update on lien dispute	0.10



Date	Name	Description	Hours
07/03/24	Jason Berall	Reviewing and revising draft Report; Corresponding with G. Azer regarding same; Corresponding with J. Mighton regarding same	1.10
07/03/24	Gina Azer	Reviewing and commenting on Fifth Report of the Monitor; Creating motion record shell and index	4.80
07/03/24	Jamie Ernst	Researching [REDACTED] [REDACTED]	4.80
07/03/24	Jesse Mighton	Email correspondence regarding remaining inventory issues; Email correspondence regarding purported warehousing lien	0.70
07/03/24	Sean Zweig	Reviewing updated CRA letter	0.10
08/03/24	Gina Azer	Meeting with J. Berall and R. Graham to discuss revisions to the Fifth Report of the Monitor	0.90
08/03/24	Thomas Gray	Emails regarding dispute	0.10
08/03/24	Jason Berall	Meeting with G. Azer and KSV regarding Report; Reviewing and revising Report	0.50
08/03/24	Sean Zweig	Correspondence with internal team	0.20
09/03/24	Jason Berall	Reviewing and revising draft Report	0.30
09/03/24	Gina Azer	Corresponding with J. Berall and R. Graham to discuss revisions to the Fifth Report of the Monitor; Revising motion record shell and index	0.30
09/03/24	Jesse Mighton	Reviewing draft Monitor's Report; Considering issues relating to ColdHaus dispute	1.20
09/03/24	Sean Zweig	Discussion with N. Goldstein; Reviewing draft Fifth Report, and considering approach	1.30
09/03/24	Jamie Ernst	Conducting follow-up research on [REDACTED] [REDACTED] Drafting email to J. Berall; Email exchange with J. Berall	2.60
10/03/24	Gina Azer	Revising motion record shell and index	0.30
10/03/24	Jamie Ernst	Creating an outline for [REDACTED] [REDACTED] Researching [REDACTED]	2.10
10/03/24	Sean Zweig	Discussion with N. Goldstein regarding ColdHaus dispute and considering same	0.30



Date	Name	Description	Hours
11/03/24	Thomas Gray	Call with J. Mighton and reviewing motion materials	0.80
11/03/24	Gina Azer	Revising Notice of Motion and sending comparison to the last version to J. Berall; Various correspondence throughout day with internal team	2.50
11/03/24	Jason Berall	Reviewing and revising Monitor's Report and motion record; Corresponding and call with KSV regarding same; Emails and call with BioSteel's counsel regarding motion; Drafting email to S. Babe regarding motion materials	1.40
11/03/24	Jesse Mighton	Email correspondence regarding warehouse lien; Email correspondence regarding ColdHaus dispute; Reviewing final motion record	0.50
12/03/24	Thomas Gray	Reviewing motion materials; Call with Cassels and discussions regarding Allen motion	0.70
12/03/24	Jason Berall	Corresponding with G. Azer regarding service; Reviewing motion record	0.20
12/03/24	Jamie Ernst	Call with J. Berall regarding [REDACTED]	0.40
12/03/24	Gina Azer	Serving motion record on the Service List; Drafting and getting an Affidavit of Service commissioned and filed with the Court	2.70
12/03/24	Sean Zweig	Reviewing final motion record; Reviewing final KingStreet consent	0.50
13/03/24	Gina Azer	Emailing the Court to create a bundle for the motion to be heard on April 8, 2024 to upload the motion record	0.10
13/03/24	Thomas Gray	Emails regarding correspondence from counterparty	0.20
13/03/24	Jamie Ernst	Reviewing motion record and the applicable agreements; Researching the [REDACTED] Drafting memorandum	5.90
13/03/24	Sean Zweig	Reviewing letter from BLG; Emails in connection with same	0.20
14/03/24	Jamie Ernst	Conducting additional research on [REDACTED]	2.90



Date	Name	Description	Hours
		[REDACTED]; Drafting memorandum	
15/03/24	Jason Berall	Corresponding with J. Mighton and KSV regarding ColdHaus motion	0.10
15/03/24	Thomas Gray	Emails with counsel	0.20
15/03/24	Jamie Ernst	Drafting memorandum on [REDACTED] [REDACTED] Email to J. Berall and J. Mighton	6.90
15/03/24	Sean Zweig	Emails with BLG; Reviewing draft CRA comfort letter, considering same and discussing same; Reviewing ColdHaus motion record, and considering same	1.10
16/03/24	Jason Berall	Reviewing ColdHaus motion record; Reviewing research regarding ColdHaus motion and corresponding with J. Ernst regarding same	1.00
17/03/24	Thomas Gray	Reviewing comfort letter	0.10
17/03/24	Jason Berall	Meeting with J. Ernst regarding ColdHaus motion research; Corresponding with J. Mighton and S. Zweig regarding ColdHaus motion; Reviewing motion materials and agreements; Corresponding with KSV and Canopy regarding reply evidence; Reviewing research for motion	0.90
17/03/24	Jamie Ernst	Call with J. Berall; Conducting research [REDACTED] [REDACTED]	3.00
17/03/24	Sean Zweig	Correspondence with internal team, Cassels and Canopy regarding ColdHaus motion record; Reviewing comments on draft CRA comfort letter, and considering same	0.40
17/03/24	Phil Ward	Reviewing comfort letter	0.40
18/03/24	Gina Azer	Meeting with J. Berall to discuss supplemental report to the Fifth Report of the Monitor in response to the motion record by ColdHaus; Reviewing motion record by ColdHaus	1.70
18/03/24	Jason Berall	Meeting with Canopy and KSV regarding motion; Call with KSV regarding responding motion materials; Call with G. Azer regarding KSV Report	0.80
18/03/24	Thomas Gray	Emails regarding contract issue	0.20
18/03/24	Jamie Ernst	Conducting research on [REDACTED]	6.00



Date	Name	Description	Hours
		[REDACTED] Drafting an email memorandum summarizing research	
18/03/24	Sean Zweig	Emails regarding CRA comfort letter; Emails regarding ColdHaus dispute	0.30
19/03/24	Thomas Gray	Emails regarding treatment of contract	0.10
19/03/24	Jason Berall	Corresponding with S. Zweig regarding ColdHaus offer; Drafting reply report and reviewing background documents for same	2.20
19/03/24	Gina Azer	Drafting the supplemental report to the Fifth Report of the Monitor in response to the motion record by ColdHaus; Reviewing comments on supplemental report	5.40
19/03/24	Jamie Ernst	Revising research email memorandum; Email to J. Berall and J. Mighton	0.80
19/03/24	Sean Zweig	Discussion with J. Berall regarding [REDACTED]; Reviewing and commenting on draft Supplemental Report	0.50
20/03/24	Jason Berall	Drafting Monitor's Report; Corresponding with Canopy's counsel regarding motion; Call and emails with KSV regarding Report; Calls and emails with G. Azer regarding Report	2.30
20/03/24	Gina Azer	Reviewing revised supplemental report to the Fifth Report of the Monitor; Drafting reply motion record shell and index; Serving the reply motion record on the Service List	2.00
20/03/24	Jesse Mighton	Reviewing supplemental report regarding ColdHaus; Email correspondence regarding same	0.70
20/03/24	Sean Zweig	Reviewing KSV's comments on ColdHaus reply report; Reviewing further revised draft; Reviewing email regarding NHL-branded inventory; Reviewing final reply report	0.50
21/03/24	Gina Azer	Meeting and corresponding with J. Berall regarding [REDACTED]; Reviewing motion material and [REDACTED]	4.70
21/03/24	Jason Berall	Call with Canopy's counsel regarding motion; Call with G. Azer regarding offer and factum; Reviewing research for factum; Reviewing correspondence regarding inventory issue;	0.80



Date	Name	Description	Hours
		Corresponding with KSV regarding offer	
21/03/24	Sean Zweig	Emails regarding NHL-branded inventory	0.20
22/03/24	Thomas Gray	Emails regarding motion	0.20
22/03/24	Gina Azer	Reviewing revised [REDACTED] [REDACTED]	0.20
22/03/24	Jason Berall	Reviewing and revising [REDACTED]; Corresponding with KSV regarding same; Drafting email to Canopy regarding same	0.70
22/03/24	Sean Zweig	Reviewing and considering [REDACTED]	0.20
23/03/24	Gina Azer	Reviewing research on [REDACTED] [REDACTED] and drafting relevant factum section	4.30
24/03/24	Gina Azer	Researching and drafting legal and argument section in the Monitor's factum	5.10
25/03/24	Thomas Gray	Reviewing materials regarding lien dispute; Call with Canopy, Cassels and Monitor regarding same; Internal discussions regarding same	0.90
25/03/24	Jason Berall	Corresponding with Canopy's counsel regarding offer; Reviewing and revising offer; Call with G. Azer regarding factum; Reviewing research for factum	0.90
25/03/24	Gina Azer	Drafting the legal arguments and revising the fact section of the factum	9.50
25/03/24	Sean Zweig	Correspondence regarding [REDACTED] [REDACTED], and reviewing final version of same	0.20
26/03/24	Jason Berall	Drafting factum for ColdHaus motion and reviewing cases for same; Corresponding with G. Azer regarding same; Corresponding with J. Mighton regarding BLG questions	4.00
26/03/24	Gina Azer	Revising factum; Drafting Affidavit of Service and filing same along with the reply motion record served March 20, 2024	1.80
26/03/24	Jesse Mighton	Multiple calls regarding ColdHaus dispute; Considering issues regarding same; Reviewing CCAA Orders	2.00



Date	Name	Description	Hours
26/03/24	Sean Zweig	Reviewing letter from S. Babe and considering same	0.20
27/03/24	Gina Azer	Researching case law that considers bankruptcy cases in the context of a motion to lift the stay in a CCAA proceeding; Reviewing letter received from S. Babe; Meeting with J. Mighton and J. Berall to discuss issues [REDACTED]; Researching cases regarding [REDACTED]	8.50
27/03/24	Jason Berall	Drafting factum; Reviewing questions from ColdHaus; Meeting with J. Mighton and G. Azer regarding same; Correspondence regarding same; Reviewing research for ColdHaus motion; Call with Canopy's counsel regarding ColdHaus motion; Meeting with J. Mighton and KSV regarding ColdHaus motion	4.50
27/03/24	Phil Ward	Drafting email regarding distribution	0.20
27/03/24	Sean Zweig	Various correspondence regarding S. Babe's letter; Reviewing correspondence from CRA and considering distribution issue; Discussing same	0.90
28/03/24	Thomas Gray	Reviewing correspondence and considering same	0.20
28/03/24	Jason Berall	Reviewing research regarding issues for ColdHaus motion; Meeting with KSV and Canopy regarding ColdHaus motion; Drafting motion factum; Drafting response to ColdHaus questions; Phone call and corresponding with J. Ernst regarding research	3.30
28/03/24	Jesse Mighton	Reviewing research regarding ColdHaus dispute; Video conference with Company representatives and counsel regarding ColdHaus dispute	1.00
28/03/24	Jamie Ernst	Researching [REDACTED]; Drafting research email; Email to J. Berall; Call with J. Berall; Conducting further research on the issue; Drafting research email; Email to J. Berall	7.20
29/03/24	Gina Azer	Reviewing Monitor's answers to questions from ColdHaus and the NHL, and correspondence with Canopy and KSV regarding same; Revising factum and sending update and blackline to J. Berall and J. Mighton	1.80





Date	Name	Description	Hours
29/03/24	Jason Berall	Drafting factum; Reviewing research for same; Drafting answers to ColdHaus questions; Corresponding with KSV and J. Mighton regarding same; Drafting answers to NHL questions; Corresponding with KSV and J. Mighton regarding same; Reviewing background documents from BioSteel; Emails and call with G. Azer regarding documents and factum	5.20
29/03/24	Jesse Mighton	Dealing with ColdHaus dispute and related issues; Email correspondence regarding same; Reviewing draft court materials; Email correspondence regarding stay extension	2.50
29/03/24	Sean Zweig	Reviewing draft factum and internal comments on same; Correspondence regarding upcoming stay extension; Reviewing response to S. Babe's letter	1.20
30/03/24	Gina Azer	Reviewing and revising factum	4.20
30/03/24	Thomas Gray	[REDACTED]	0.60
30/03/24	Jesse Mighton	Email correspondence regarding supplemental report	0.30
31/03/24	Jason Berall	Reviewing and revising factum; Corresponding with G. Azer regarding same; Reviewing cases cited in factum	0.80
31/03/24	Gina Azer	Revising factum footnotes and schedules	1.00
31/03/24	Thomas Gray	Reviewing [REDACTED]	0.50

Total Hours 197.20  
Total Professional Services \$ 130,637.00

Name	Hours
Sean Zweig	10.30
Phil Ward	0.90
Jason Berall	37.30
Jesse Mighton	13.40
Aiden Nelms	0.60
Thomas Gray	5.10
Gina Azer	81.30
Jamie Ernst	48.30

GST/HST \$ 16,982.81  
Total Due \$ 147,619.81



Bennett Jones

KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
P.O. Box 20  
TORONTO, ON M5J 2W4

Attention: Noah Goldstein  
Managing Director

Re: Project Steel  
Our File Number: 074735.00045

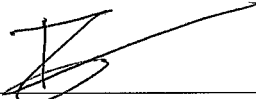
Date: April 2, 2024  
Invoice: 1565717

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Remittance Statement

Professional Services	\$	130,637.00
Total Due before Tax	\$	<u>130,637.00</u>
GST/HST	\$	16,982.81
Total Due in CAD	\$	<u><u>147,619.81</u></u>

THIS IS **EXHIBIT "B"** REFERRED TO IN  
THE AFFIDAVIT OF SEAN ZWEIG,  
SWORN BEFORE ME THIS 4<sup>th</sup> DAY OF APRIL, 2024.

A handwritten signature in black ink, appearing to be 'T. Gray', written over a horizontal line.

**THOMAS GRAY**

A Commissioner for taking Affidavits  
(or as may be)

<b>Invoice #</b>	<b>Period Ended</b>	<b>Date of Account</b>	<b>Fees</b>	<b>Disbursements</b>	<b>GST/HST</b>	<b>Total</b>
Invoice # 1	September 29, 2023	October 11, 2023	\$90,004.00	\$121.75	\$11,716.35	\$101,842.10
Invoice # 2	October 31, 2023	November 9, 2023	\$117,022.00	\$0.00	\$15,212.86	\$132,234.86
Invoice # 3	November 30, 2023	December 10, 2023	\$204,810.50	\$726.70	\$26,719.84	\$232,257.04
Invoice # 4	December 28, 2023	January 9, 2024	\$117,720.50	\$329.26	\$15,346.47	\$133,396.23
Invoice # 5	January 31, 2024	February 12, 2024	\$53,268.50	\$0.00	\$6,924.91	\$60,193.41
Invoice # 6	February 29, 2024	March 13, 2024	\$82,300.00	\$339.00	\$10,699.00	\$93,338.00
Invoice # 7	March 31, 2024	April 2, 2024	\$130,637.00	\$0.00	\$16,982.81	\$147,619.81
<b>Total</b>			<b>\$795,762.50</b>	<b>\$1,516.71</b>	<b>\$103,602.24</b>	<b>\$900,881.45</b>

THIS IS **EXHIBIT "C"** REFERRED TO IN  
THE AFFIDAVIT OF SEAN ZWEIG,  
SWORN BEFORE ME THIS 4<sup>th</sup> DAY OF APRIL, 2024.

A handwritten signature in black ink, appearing to read 'T. Gray', with a long horizontal stroke extending to the right.

---

**THOMAS GRAY**

A Commissioner for taking Affidavits  
(or as may be)

<b>Timekeeper</b>	<b>Year of Call</b>	<b>Hourly Rate<sup>1</sup></b>	<b>Total Hours</b>	<b>Fees</b>
Julia Schatz	1995	\$1,125	3.10	\$3,487.50
John van Gent	2002	\$1,050	0.20	\$210.00
Kristopher Hanc	2007	\$1,055	22.20	\$23,421.00
Preet Gill	2008	\$960	29.80	\$28,608.00
		\$1,020	5.20	\$5,304.00
Sean Zweig	2009	\$1,035	181.50	\$187,852.50
		\$1,100	30.80	\$33,880.00
David Rotchtin	2012	\$860	23.20	\$19,952.00
		\$915	6.30	\$5,764.50
Philip Ward	2012	\$1,010	3.60	\$3,636.00
		\$1,075	1.90	\$2,042.50
Jesse Mighton	2012	\$860	165.70	\$142,502.00
		\$915	84.50	\$77,317.50
Joseph Blinick	2013	\$860	2.50	\$2,150.00
Jason Berall	2015	\$915	40.90	\$37,423.50
Douglas Fenton	2018	\$820	1.90	\$1,558.00
Aiden Nelms	2018	\$745	83.30	\$62,058.50
		\$820	12.70	\$10,414.00
Fatima Kawar	2020	\$630	21.90	\$13,797.00
Thomas Gray	2021	\$565	49.90	\$28,193.50
		\$670	32.20	\$21,574.00
Gina Azer	2023	\$525	81.30	\$42,682.50
Jamie Ernst	2023	\$525	53.80	\$28,245.00

<sup>1</sup> Where individuals worked on this matter in the calendar year 2023 and 2024, the 2023 billing figures are presented in the upper row, with the figures for 2024 displayed in the lower row.

<b>Timekeeper</b>	<b>Year of Call</b>	<b>Hourly Rate<sup>1</sup></b>	<b>Total Hours</b>	<b>Fees</b>
Jane Sergievskaya	N/A	\$475	3.60	\$1,710.00
Michelle Galati	N/A	\$330	10.70	\$3,531.00
Linda Fraser-Richardson	N/A	\$330	19.00	\$6,270.00
Jordan Oliva	N/A	\$330	6.60	\$2,178.00
<b>Total</b>			<b>978.30</b>	<b>\$795,762.50</b>

**Average hourly rate = 813.41<sup>2</sup>**

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<sup>2</sup> Exclusive of applicable general and harmonized sales taxes.

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC.,  
BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS  
NUTRITION USA LLC**

(the "Applicants")

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**Fee Affidavit  
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