



**Pre-Filing Report of  
KSV Restructuring Inc.  
as Proposed CCAA Monitor of  
Contract Pharmaceuticals Limited,  
CPL Canada Holdco Limited, Contract  
Pharmaceuticals Limited Canada,  
Glasshouse Pharmaceuticals Limited  
Canada and Glasshouse  
Pharmaceuticals LLC**

December 14, 2023

<b>Contents</b>	<b>Page</b>
1.0 Introduction .....	1
2.0 Background .....	4
3.0 Cash Flow Forecast.....	11
4.0 DIP Facility .....	12
5.0 Court Ordered Charges .....	16
6.0 Proposed Payment of Critical Vendor Obligations .....	18
7.0 Cash Management System .....	18
8.0 Chapter 15 Proceedings.....	19
9.0 Creditor Notification .....	19
10.0 Comeback Motion .....	19
11.0 Conclusion and Recommendation .....	20

**Appendices**

<b>Appendix</b>	<b>Tab</b>
KSV’s Consent to Act as Monitor .....	A
Cash Flow Forecast and Management’s Report on Cash Flow Forecast .....	B
Proposed Monitor’s Report on Cash Flow Forecast .....	C
DIP Term Sheet .....	D
DIP Facility Comparison.....	E

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 CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED, CONTRACT  
PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE  
PHARMACEUTICALS LIMITED CANADA, AND GLASSHOUSE  
PHARMACEUTICALS LLC**

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

**December 14, 2023**

## **1.0 Introduction**

1. KSV Restructuring Inc. ("KSV") understands that Contract Pharmaceuticals Limited ("CPL") and its wholly owned direct and indirect subsidiaries, CPL Canada Holdco Limited ("CPL HoldCo"), Contract Pharmaceuticals Limited Canada ("CPL Canada"), Glasshouse Pharmaceuticals Limited Canada ("Glasshouse Canada") and Glasshouse Pharmaceuticals LLC ("Glasshouse America" and collectively, the "Applicants") intend 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 the Applicants relief under the CCAA, and appointing KSV as monitor in these proceedings (in such capacity, the "Monitor").
2. The principal purpose of these CCAA proceedings is to create a stabilized environment to enable the Applicants to: (i) secure urgently required debtor-in-possession ("DIP") financing; (ii) continue the implementation of their operational restructuring; and (ii) undertake a Court-supervised sale and investment solicitation process (the "SISP") to either refinance the Company's existing debt or enter into a sale or other strategic transaction in respect of the Company and/or its assets. No relief is being sought at the initial application in respect of the SISP.
3. If the Initial Order is granted, the Applicants intend 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).

4. The Affidavit of Jan Sahai, Chief Executive Officer of CPL, sworn December 14, 2023 in support of the CCAA application (the “Sahai Affidavit”), provides, among other things, background information concerning the Applicants’ business, as well as the reasons for the commencement of these CCAA proceedings.
5. 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/cpl](http://www.ksvadvisory.com/experience/case/cpl) (the “Case Website”).
6. KSV is filing this report (the “Pre-Filing Report”) as the 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 Applicants 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 the Applicants and its consolidated financial position;
  - c) report on the Applicants’ cash flow projection (the “Cash Flow Forecast”) for the period December 15, 2023 to March 29, 2024 (the “Forecast Period”);
  - d) summarize the terms of a proposed debtor-in-possession credit facility (the “DIP Facility”) in the maximum principal amount of US\$6 million to be made available to the Applicants pursuant to a term sheet (the “DIP Term Sheet”) between CPL Canada, as borrower, and each of the other Applicants, as guarantors, and Deerfield Private Design Fund IV, LP as agent for itself and Deerfield Private Design Fund III, LP, as lender (“Deerfield” and in such capacity, the “DIP Lender”);
  - e) discuss the rationale for including the following provisions in the Initial Order:
    - i. a charge in the amount of \$375,000 (the “Administration Charge”) on all of the Applicants’ current and future assets, property and undertaking (collectively, the “Property”) to secure the fees and disbursements of the Applicants’ legal counsel, Goodmans LLP (“Goodmans”), the Monitor, its independent legal counsel, Cassels Brock & Blackwell LLP (“Cassels”) and the Applicants’ financial advisor SSG Capital Advisors, LLC (“SSG”) (excluding any transaction fee payable to SSG);
    - ii. a charge in the amount of \$1,801,000 (the “Directors’ Charge”) on the Property in favour of the directors and officers of the Applicants (the “Directors and Officers”);

- iii. a charge up to the maximum amount of US\$1,500,000 on the Property, plus interest, fees and expenses thereon, in favour of the DIP Lender to secure advances to the Applicants made under the DIP Facility prior to the Comeback Motion (the “DIP Lender's Charge” and together with the Administration Charge and Directors’ Charge, the “Charges”), provided that the DIP Lender’s Charge shall be subordinate to the security held by Royal Bank of Canada (“RBC”) and Export Development Canada (“EDC”);
  - iv. the proposed priority of the Charges in the Initial Order;
  - v. a provision authorizing the Applicants to pay certain pre-filing obligations to essential suppliers, subject to first obtaining consent from the Monitor and the DIP Lender;
  - vi. the continued use of the Applicants’ existing cash management system; and
  - vii. a provision authorizing the Applicants 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, if required, the Applicants 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
- f) provide the proposed Monitor's recommendation regarding the relief sought by the Applicants in its CCAA application materials.

## 1.2 Scope and Terms of Reference

1. In preparing this Pre-Filing Report, KSV has relied upon the Applicants’ unaudited financial information, books and records, information available in the public domain and discussions with the Applicants’ 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 Applicants’ 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

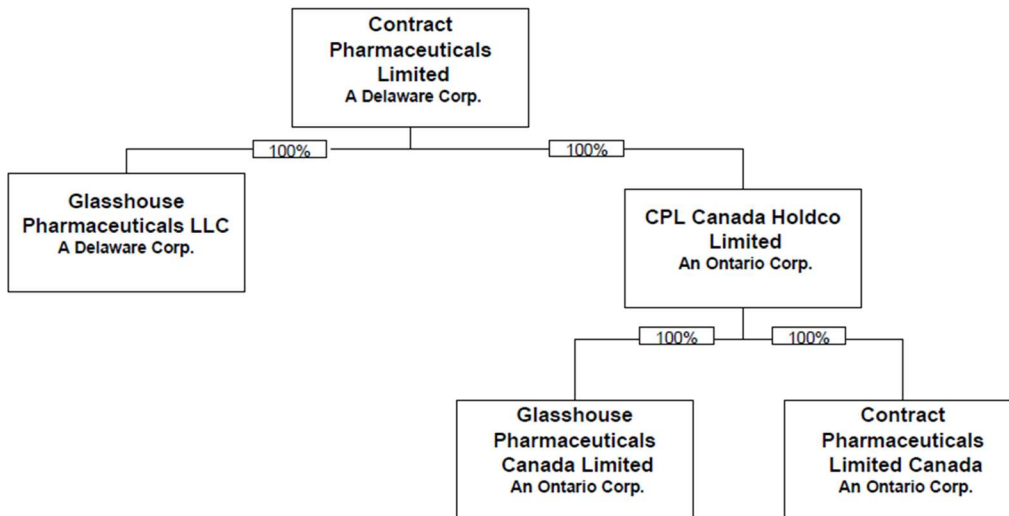
1. Unless otherwise noted, all currency references in this Pre-Filing Report are in Canadian dollars.

### 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 Advisory Inc. ("KSV Advisory"), an affiliate of KSV, was engaged by the Applicants on November 24, 2023 to assist with preparing for a potential CCAA filing. During its engagement, KSV Advisory obtained an understanding of the Applicants' business which 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 Applicants; (b) related to the Applicants, or to any director or officer of the Applicants; or (c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of the Applicants.

## 2.0 Background

1. The Sahai Affidavit sets out detailed information with respect to the Applicants' business and operations. The information contained in the Pre-Filing Report is not intended to be a detailed summary of all matters relating to the business of the Applicants. KSV recommends that readers review the application materials filed by the Applicants in respect of these CCAA proceedings.
2. The Applicants specialize in the development, manufacturing, packaging, filing, and testing of non-sterile liquids, semi-solid pharmaceuticals, and regulated over-the-counter products. Non-sterile liquids include products such as prescription and non-prescription grade suspensions, solutions, and nasal sprays. Semi-solid pharmaceuticals include prescription and non-prescription grade lotions, creams, ointments, and gels. In total, the Applicants manufacture over a hundred different products for many top global pharmaceutical companies and specialty dermatology companies.
3. The Applicants' organizational chart is provided below:



## 2.1 Applicants

1. A high-level description of the business of the Applicants is provided below:

### CPL

- a) CPL, incorporated under Delaware laws with its main office in Mississauga, ON, acts as a holding company for the Applicants, with its main assets being its ownership in its direct and indirect subsidiaries.

### CPL Canada

- a) CPL Canada, incorporated in Ontario, is the main operating entity of CPL.
- b) CPL Canada is dedicated to the development, manufacturing, packaging, filing, and testing of non-sterile and semi-solid pharmaceutical products, encompassing both prescription and over-the-counter medications. These services are conducted within two facilities in Mississauga, Ontario, both registered with the Food and Drug Administration (the "FDA") and Health Canada. This registration facilitates centralized operations for manufacturing, packaging, and warehousing to meet the diverse needs of CPL Canada's customers.
- c) CPL Canada possesses unique capabilities in handling hormones (both male and female), corticosteroids, permethrin-based products for lice treatment, alcohol-containing products, and light-sensitive items. Since 2012, CPL Canada has successfully executed over 80 abbreviated new drug applications and new drug application projects submitted to the FDA, resulting in 14 FDA-approved products and an additional 16 drug application submissions currently under review.

- d) CPL Canada’s customer base is comprised of well-known top pharmaceutical companies including Taro Pharmaceuticals Inc., Johnson & Johnson Services Inc., GSK plc, and Pfizer Inc. Functioning as a full-service contract development and manufacturing organization (“CDMO”), CPL Canada serves as the exclusive supplier of a particular product for 70% of its customer base.

#### CPL HoldCo

- a) CPL HoldCo, incorporated under the laws of Ontario, is also a holding company and its main assets are its 100% ownership interests in CPL Canada and Glasshouse Canada.

#### Glasshouse Canada

- a) Glasshouse Canada is incorporated under the laws of Ontario.
- b) In 2017, Glasshouse Canada and Glasshouse America were established to help CPL explore new product lines such as generic drugs, new chemical entities, and packaging (the “Glasshouse Business”). The expansion into these new product lines quickly proved costly for the Applicants in all aspects of the business from producing, marketing and selling. These high costs resulted in the Glasshouse Business being uncompetitive relative to its peers in the US market.
- c) In 2022, as a result of the consistent losses incurred by the Glasshouse Business, the Applicants’ management team made a decision to refocus the Company on its core CDMO competencies and divested most of the assets belonging to the Glasshouse Business.
- d) Currently, the operations of Glasshouse Canada, previously the main operating entity of the Glasshouse Business, are in the process of being wound down with its few remaining customers being transferred to CPL Canada.

#### Glasshouse America

- a) Glasshouse America, incorporated in Delaware, formerly played a role in driving the commercialization efforts of the Glasshouse Business in the United States.
- b) As a result of the wind-down of the Glasshouse Business, Glasshouse America’s operations now narrowly encompass processing various medical insurance rebates and wholesaler chargebacks and managing product return logistics through existing relationships.

## **2.2 Employees**

1. As of the date of this Pre-Filing Report, nearly 300 individuals (collectively, the “CPL Employees”) are employed by CPL Canada and work at CPL Canada’s facilities in Mississauga, Ontario. As of the date of this Pre-Filing Report, management of the Applicants has advised that the Applicants are current on payroll obligations, including source deductions.



2. CPL Canada provides health, dental and other employee benefits through a third-party insurance provider; however, it does not maintain any registered pension plans.
3. The Applicants offer their employees a deferred profit-sharing plan (“DPSP”) and a retirement savings plan (“RSP”). The Applicants do not owe any amount in respect of the DPSP or the RSP.

## 2.3 Financial Performance

1. The Applicants’ consolidated income statement for the twelve months ending October 31, 2023 and 2022 is reflected below.

12 months ended (USD, \$000s)	October 31, 2023	October 31, 2022
Sales	60,954	48,365
Cost of sales	47,339	42,941
Gross profit	13,615	5,424
Gross profit %	22%	11%
Ordinary expenses	(10,645)	(12,141)
Other expenses	(1,350)	(2,037)
<b>EBIT<sup>1</sup></b>	<b>1,619</b>	<b>(8,754)</b>

2. As discussed in greater detail in the Sahai Affidavit, while historically able to achieve consistent revenue and profitability, sustained losses have occurred since several strategic decisions were made in 2016, including: (i) the Applicants accepting large, unprofitable contracts with low or negative margins; and (ii) the failure of the Glasshouse Business.
3. The Applicants have taken a number of steps to restructure their business which has led to significantly increased profitability in 2023, including appointing Mr. Sahai as Chief Executive Officer, refocusing the CPL business on its core competency as a CDMO, divesting most of the assets of the Glasshouse Business and focusing on cost-cutting initiatives. These steps have resulted in the Applicants returning to their historical positive EBIT levels during the 2023 fiscal year.

## 2.4 Financial Position

1. The Applicants’ unaudited, internal consolidated balance sheet as at October 31, 2023 is provided below.

---

<sup>1</sup> Does not include the impact of goodwill impairment recorded in FY2022.

Description	Book Value (USD, \$000s)
Cash	1,553
Accounts receivable	10,343
Inventory	14,382
Prepaid expenses and deposits	1,682
Property, plant and equipment	15,585
Other assets	353
<b>Total Assets</b>	<b>43,898</b>
Bank indebtedness	4,955
Accounts payable and accrued liabilities	13,274
Income tax payable	107
Government loans payable	4,233
Long-term debt	5,392
Deerfield Loan	24,312
Other long-term liabilities	52
<b>Total Liabilities</b>	<b>52,325</b>
<b>Equity</b>	<b>(8,427)</b>
<b>Total Liabilities &amp; Equity</b>	<b>43,898</b>

2. The following is a brief description of certain material line items on the Applicants' balance sheet:
- a) Accounts receivable – reflects amounts owed by third-party customers. As at November 27, 2023, the Applicants had accounts receivable of approximately \$9.6 million, of which substantially all was current.
  - b) Inventory – inventory is primarily comprised of: (i) unprocessed raw materials used as active pharmaceutical ingredients; (ii) packaging material used to bottle and store pharmaceutical products; and (iii) finished pharmaceutical goods ready for commercial sale.
  - c) Property, plant and equipment – primarily comprised of pharmaceutical production machinery used in the Applicants' normal course business.
  - d) Bank indebtedness – reflects amounts owing to RBC.
  - e) Accounts payable – mainly consists of trade payables owing to suppliers. At present, \$9.2 million of accounts payable is aged and past due.
  - f) Government loans payables – reflects the balance of the loan facilities owed to the Federal Economic Development Agency ("Fed Dev").
  - g) Long-term debt – reflects the balance of the loan facilities owed to EDC.
  - h) Deerfield loan – reflects the balance of the loan facilities owed to Deerfield.

## 2.5 Secured Creditors

Lender	November 30, 2023 ('000s)
Royal Bank of Canada	CAD\$7,214
Export Development Canada	US\$4,968
Deerfield Private Design Fund IV, LP as agent for itself and Deerfield Private Design Fund III, LP	US\$24,311

### RBC Loan Agreement

1. CPL Canada is the debtor under a credit agreement with RBC dated November 22, 2017 (the "RBC Loan Agreement"). The RBC Loan Agreement includes a revolving operating facility, due on demand (the "RBC Operating Facility"). Subject to borrowing base calculations, the original availability under the RBC Operating Facility was \$19.5 million. RBC has since capped CPL Canada's maximum loan amount at \$7.5 million. The Applicants have advised that there is approximately \$4 million of suppressed availability under the RBC Operating Facility based on recent borrowing base calculations (the "Suppressed Availability"). The Applicants have asked RBC to access the Suppressed Availability to pursue a refinancing outside of an insolvency process, but RBC has refused to provide any Suppressed Availability.
2. As at November 30, 2023, approximately \$7.2 million was outstanding under the RBC Operating Facility.
3. The RBC Operating Facility is guaranteed by each of CPL and CPL Holdco. KSV understands that, pursuant to the RBC Loan Agreement, RBC has a first ranking security interest in substantially all of the assets of CPL Canada (excluding equipment) and in the equity of CPL Canada held by CPL Holdco, and a second ranking interest in all the equipment of CPL Canada. The CPL guarantee to RBC is unsecured. KSV and Cassels have not yet conducted a review of the RBC Loan Agreement and related security.
4. On December 4, 2023, RBC delivered a notice of default and reservation of rights letter to CPL Canada notifying CPL Canada that one or more events of default under the RBC Loan Agreement has occurred and is continuing to occur.

### Deerfield Term Loan

1. Glasshouse Canada is the borrower under a credit agreement with Deerfield dated December 6, 2018 (the "Deerfield Facility Agreement"). The Deerfield Facility Agreement consists of a non-revolving term loan in an initial principal amount of US\$20 million (the "Deerfield Term Loan").
2. To facilitate the launch and development of Glasshouse, and to fund the Applicants' general operational requirements, the Company obtained the Deerfield Term Loan.
3. As at November 30, 2023, approximately US\$24.3 million of principal (excluding capitalized interest of approximately US\$295,000) was outstanding under the Deerfield Term Loan. On December 6, 2023, the Deerfield Term Loan matured.

4. The Deerfield obligation is guaranteed by CPL and each of the other CPL Entities. Among other security, each of CPL, CPL Canada HoldCo, CPL Canada, Glasshouse America and Glasshouse Canada have granted Deerfield a security interest in substantially all of their assets pursuant to two general security agreements dated December 6, 2018.
5. Pursuant to a limited recourse and guaranty pledge dated December 6, 2018, certain shareholders of CPL holding, collectively, 72% of the issued and outstanding shares of CPL, pledged their equity interests in CPL as security for the obligations owed under the Deerfield Facility Agreement, with no recourse available against them, except for enforcement on the shares of CPL.
6. KSV and Cassels have not yet conducted a review of the Deerfield Facility Agreement and related security.
7. KSV understands that, in connection with the Deerfield Facility Agreement, CPL issued certain contingent value rights (“CVRs”) for the benefit of both Deerfield Private Design Fund IV, LP and Deerfield Private Design Fund III, LP, pursuant to contingent value agreements signed on December 6, 2018. The CVRs purportedly entitle Deerfield to termination payments if certain conditions were met.
8. On December 5, 2023, Deerfield delivered a notice asserting an entitlement to a CVR payment. Notwithstanding the notice, Deerfield has agreed to waive its entitlements under the CVRs in the event that:
  - a) the Applicants entered into the DIP Facility with Deerfield; and
  - b) the DIP Facility and all existing pre-filing debt obligations owing to Deerfield (excluding the CVRs) are repaid in full (including interest, fees, and costs) pursuant to a transaction entered into on or before April 30, 2024.
9. KSV and Cassels have not yet conducted a review of the Deerfield CVRs.

#### EDC Term Loan

1. CPL Canada is the debtor under a credit agreement with EDC, executed on March 6, 2018 (the “EDC Loan Agreement”). Under this agreement, EDC extended a term loan facility to CPL Canada, allowing for a maximum borrowing limit of US\$15 million, (the “EDC Term Loan”). A default has occurred on the EDC Term Loan as CPL Canada failed to satisfy certain covenants by October 31, 2023, including, among other specified conditions, providing evidence to EDC substantiating the extension of the Deerfield Facility beyond November 2025. In addition, the Company recently stopped payment on a scheduled loan installment payment to EDC.
2. As of November 30, 2023, approximately US\$4.9 million remains outstanding under the EDC Loan Agreement. CPL Canada is in default under the EDC Loan Agreement.
3. The EDC Term loan is guaranteed by CPL Holdco on an unsecured basis. EDC has a first ranking security in all of the equipment of CPL Canada and a third ranking security interest in substantially all other assets of CPL Canada. KSV and Cassels have not yet conducted a review of the EDC and related security.

4. RBC, Deerfield, and EDC collectively form the specified group of lenders hereinafter referred to as the “Lenders”.
5. It is the intention of KSV, if appointed Monitor, to have its counsel in these proceedings, Cassels, conduct a review of the Lenders’ security documents and issue independent security opinions to the Monitor in due course.

## 2.6 Unsecured Creditors

### Fed Dev Loan

1. CPL Canada is a party to an agreement with His Majesty the King, as represented by the Ontario Minister of Infrastructure for the Fed Dev dated March 16, 2015 (the “Fed Dev Loan”). Pursuant to the Fed Dev Loan, the Fed Dev agreed to contribute funding for 25% of new capital expenditures made by CPL Canada up to approximately \$8.9 million, on an interest-free and unsecured basis.
2. As of November 30, 2023, approximately \$5.7 million is owing under the Fed Dev Loan. The Fed Dev Loan is guaranteed by CPL HoldCo, also on an unsecured basis.

### Trade Creditors

1. A growing number of trade creditors are now placing the Applicants on credit hold and/or are demanding immediate payment of past-due obligations as a condition to supplying further goods. The Applicants do not have the liquidity available to fund the arrear payments owing to these creditors and/or contract counterparties.

## 3.0 Cash Flow Forecast

1. The Applicants have prepared a Cash Flow. The Cash Flow Forecast and the Applicants’ statutory report thereon pursuant to Section 10(2)(b) of the CCAA are attached hereto as Appendix “B”.
2. The Cash Flow Forecast reflects that the Companies require funding prior to the Comeback Motion, as reflected in the table below.

(unaudited; CAD; \$000s)	Dec 15 – Dec 29
Receipts	2,420
Disbursements	
Production costs	1,811
Payroll	1,037
Capital expense	100
Other	144
Professional fees	1,206
Contingency	100
	4,398
Net Cash Flow	(1,978)
Opening Cash Balance	1,347
Net Cash Flow	(1,978)
Shortfall prior to the Comeback Motion	(631)

3. In order to provide the Applicants with the liquidity required to fund their operations, the Applicants are seeking the approval of the DIP Term Sheet, provided that until the Comeback Motion, the Applicants are only requesting that they be permitted to draw up to US\$1.5 million to fund the expenditures noted in the table above and provide a contingency in case of a requirement to pay additional disbursements and/or to address issues in respect of timing of receipts given the holiday season. The amounts are contemplated to be funded under the DIP Term Sheet and secured by the DIP Lenders' Charge.
4. The amount required to be drawn in the first ten days represents approximately 25% of the total DIP Facility. KSV has reviewed the Cash Flow Forecast in detail with management and KSV believes that only critical items are being funded until the Comeback Motion. The critical payments include:
  - a) Production costs (\$1,811,000): the Applicants have not been able to purchase products for several weeks due to the liquidity crisis. The amounts to be purchased within the next ten days are critical to maintaining the Applicants' operations. It is assumed that suppliers will require cash on demand;
  - b) Payroll (\$1,037,000): represents normal course employee payroll and benefits for the Applicants;
  - c) Capital expense (\$100,000): expenditure incurred to maintain critical production equipment in the normal course;
  - d) Other (\$144,000): represents other critical expenses, including IT systems, office expenses, employee training, consulting fees and licenses; and
  - e) Professional fees (\$1,206,000): professional fees paid for certain services completed in preparation of pre-filing materials.
5. 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 "C".
6. The Applicants will file an updated cash flow forecast for an extended period prior to the Comeback Motion.

## 4.0 DIP Facility

1. In the weeks prior to this application, KSV and the Applicants, with assistance from their financial advisor SSG (the "Financial Advisor"), canvassed fifteen potential lenders for debtor-in-possession loans, including all the Lenders. Deerfield and three other potential lenders submitted a term sheet. The terms submitted by the other lenders were economically similar to the terms set out in the DIP Term Sheet. The Applicants determined to move forward with the DIP Term Sheet given Deerfield's status as the largest secured lender to the Applicants and given that the economic terms were similar to the other proposed DIP term sheets. Importantly, Deerfield was also the only party that submitted a DIP Term Sheet that provided its advances would rank subordinate to the RBC and EDC facilities.

2. The significant terms of the DIP Facility are summarized below. The DIP Facility is being provided by Deerfield as the DIP Lender. A copy of the DIP Term Sheet is attached hereto as Appendix “D”.

- a) Borrower: CPL Canada;
- b) Guarantors: CPL, CPL Holdco, Glasshouse Canada, and Glasshouse America (collectively with the Borrower, the “Obligors”);
- c) DIP Lender: Deerfield;
- d) DIP Facility: up to a maximum of USD\$6 million, including an initial advance in an amount of US\$1.5 million (the “Initial Advance”);
- e) Maturity Date: the earlier of:
  - i. April 30, 2024;
  - ii. the occurrence of a default of the term sheet which has not been waived in writing, and a demand for repayment has not been issued;
  - iii. the date of a closing of a sale or a similar transaction for all or substantially all of the assets and business of CPL, including pursuant to the SISP, which transaction has been approved by the Court; and
  - iv. the implementation of a plan of compromise or arrangement within the CCAA proceedings which has been approved by the requisite majorities of CPL’s creditors and the Court.

The maturity date can be extended by request from CPL with the prior written consent of the DIP Lender provided that the Monitor’s consent is also required for material amendments.

- f) Interest rate: 12.5% per annum, compounded monthly and payable monthly in arrears on the last business day of each month;
- g) Commitment Fee: a fee equal to 3% of the total amount of the DIP Facility, being US\$180,000. 25% of the Commitment Fee shall be fully earned upon issuance of the Initial Order, with the remaining 75% earned upon issuance of the Amended and Restated Initial Order. The Commitment Fee is payable on the Maturity Date;
- h) Expenses: the Borrower shall pay all reasonable and documented costs and expenses of the DIP Lender, including of its outside counsel, appraisers, field auditors, and one financial consultant, related to or in connection with the CCAA proceedings;
- i) DIP Security: the obligations of the Borrower under the DIP Facility, including the Commitment Fee, are to be secured by the DIP Lender’s Charge on all the Property of the Obligors;

- j) Cash Flow Projections and Reporting: the Applicants shall provide a Cash Flow Forecast that will be included as a schedule to the DIP Term Sheet (the “DIP Budget”). The Initial Advance under the DIP Facility shall be used in accordance with the Initial Cash Flow Projections. Subsequently, the Borrowers shall deliver to the DIP Lender, by no later than Friday of each week, a variance report setting forth the comparison of actual receipts and disbursements with the DIP Budget on a weekly and cumulative basis. The Borrower may present the DIP Lender a revised DIP Budget no more frequently than every two weeks.
- k) Conditions: the material conditions precedent to the Initial Advance include:
- i. the execution of the DIP Term Sheet;
  - ii. all material documents to be served by the Applicants in connection with seeking the Initial Order to be in form and substance satisfactory to the DIP Lender;
  - iii. the issuance of the Initial Order, which shall specifically authorize and approve the DIP Facility and the DIP Lender’s Charge, in an amount corresponding to the Initial Advance;
  - iv. except to the extent not permitted by the CCAA, the DIP Lender’s Charge shall have priority over all Liens granted by the Obligors against the Property, except for the permitted priority liens which include the Administration Charge, the D&O charge, the KERP Charge, the Financial Advisor Charge, the Senior Priority Lender Liens, and liens in favour of secured parties who did not receive notice of the application for the Initial Order (collectively, the “Permitted Priority Liens”);
  - v. all representation and warranties contained in the DIP Term Sheet are true and correct as of the date of the Initial Advance;
  - vi. no event of default shall have occurred or will occur as a result of the Initial Advance; and
  - vii. All expenses incurred by the DIP Lender and invoices no later than one business day prior to the Initial Advance.

In addition to the conditions above, the following material conditions are not required for the Initial Advance but are required to be satisfied for any Subsequent Advance:

- i. the delivery of the material documents to the DIP Lender, served in connection with the proposed Amended and Restated Initial Order to be in form and substance satisfactory to the DIP Lender;
- ii. the issuance of (i) the Amended and Restated Initial Order approving the increase to the DIP Facility and the DIP Lender’s Charge and (ii) the SISP Approval Order;
- iii. the Amended and Restated Initial Order and the SISP Approval Order shall not be stayed or otherwise amended without consent of the DIP Lender;



- iv. no liens rank in priority to the DIP Lender Charge, except for the Permitted Priority Liens;
- v. all representations and warranties contained in the DIP Term Sheet are true and correct as of the date of any Subsequent Advance;
- vi. no event of default shall have occurred or will occur as a result of the Initial Advance; and
- vii. All expenses incurred by the DIP Lender and invoices no later than one business day prior to the Subsequent Advance.

#### 4.1 DIP Recommendation

1. KSV considered the following factors when reviewing the reasonableness of the DIP Facility, as well as those set out in Section 11.2 of the CCAA:
  - a) as provided above, the Applicants canvassed the market for debtor-in-possession loans, and based on the feedback from other prospective lenders and the other term sheets received, KSV believes that the terms of the DIP Facility are reasonable in the circumstances;
  - b) the Applicants have a critical and immediate need for interim financing. Without access to the DIP Facility, the Applicants will be unable to maintain their operations, commence a restructuring process and implement an effective SISF process. The DIP Facility and the DIP Lender's Charge will allow the Applicants to continue to operate, including funding payroll;
  - c) KSV believes that approval of the DIP Facility is in the best interests of the Applicants' stakeholders and will advance the Applicants' restructuring process. KSV does not believe that creditors of the Applicants will be prejudiced as a result of the approval of the DIP Facility – to the contrary, they will benefit from it as it will allow the business to continue to operate, which will enhance value versus the alternative, which is the discontinuation of operations and the potential liquidation of the Applicants' assets. Further, the DIP Lender's Charge is proposed to be junior to the security granted by the Applicants in favour of RBC and EDC;
  - d) on the application for the Initial Order, the Applicants are seeking approval to borrow, and secure only the amounts funded under the Initial Advance, which are those amounts required to sustain the business and make critical payments until the Comeback Motion;
  - e) KSV compared the terms of the DIP Facility to other DIP facilities approved by Canadian courts in CCAA proceedings commenced in 2022 and 2023 to date. The comparison is attached as Appendix "E". Based on KSV's review and analysis, the cost of the proposed DIP Facility is within the ranges of similar facilities of this size approved by the Court and other Canadian courts in CCAA and other restructuring proceedings. In particular, interest rates on DIP facilities have continued to increase throughout the year due to the increase in the Bank of Canada's policy rate; and

- f) the DIP Facility is to be provided by Deerfield, who is an existing secured creditor of the Applicants and is supportive of the proposed restructuring process pursuant to the CCAA.
2. Based on the foregoing, KSV believes that the terms of the DIP Facility are reasonable in the circumstances.

## **5.0 Court Ordered Charges**

### **5.1 Administration Charge**

1. The Applicants are seeking Court approval of an Administration Charge in an initial amount not to exceed \$375,000 to secure the fees and expenses of the Monitor, its legal counsel, the Applicants' legal counsel, and the monthly work fee and expenses of 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 Applicants have worked with 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 Applicants' proceedings. The professionals require the benefit of the Administration Charge to protect them 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. KSV is of the view that the Administration Charge should be a first-ranking charge as is customary in CCAA proceedings. If a creditor made an application for the appointment of a Receiver, the model receivership order provides for a Receiver's Charge to protect the Receiver's and its counsel's fees that rank in priority to all creditors' security.
6. At the Comeback Motion, KSV understands that the Applicants intend to apply for an increase in the maximum amount of the Administration Charge.

### **5.2 Directors' Charge**

1. The Applicants are seeking Court approval of a Directors' Charge in an initial amount not to exceed \$1,801,000. The amount of the Directors' Charge was estimated by the Applicants in consultation with the proposed Monitor, taking into consideration the potential exposure of the directors and officers for vacation pay, employee wages, sales taxes and payroll source deductions until the Comeback Motion.

2. KSV understands that the Applicants are current on their normal course GST/PST/HST and payroll obligations (including employee withholding taxes). While the Applicants are normally in a receivable position with sales taxes, the Applicants project they will be in a payable position for December 2023. Accordingly, the amount of the Directors' Charge represents the sum of:
  - a) one payroll cycle for the employees (inclusive of source deductions) (\$1,010,000);
  - b) the estimated amount of the Applicants' vacation pay owing to employees (\$491,000); and
  - c) the estimated GST/PST/HST accrued or payable in December (\$300,000).
3. The proposed Directors' Charge is being sought as security for the directors and officers of the Applicants (collectively, the "Directors and Officers") in connection with any obligations or liabilities that they incur as a director or officer of the Applicants after the commencement of these CCAA proceedings.
4. The Applicants maintain director's and officer's liability insurance, however, KSV understands that 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 Applicants is critical to the overall success of these proceedings. KSV understands that the Directors and Officers are not prepared to be personally liable for the Applicants' 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 Applicants' ability to operate and pursue the SISF during these proceedings.
5. KSV understands that at the Comeback Motion, the Applicants intend to apply for an increase of the Directors' Charge up to the estimated maximum total exposure of the Directors and Officers at any point in time in these proceedings.

### **5.3 DIP Lenders' Charge**

1. The Applicants are seeking a charge in favour of the DIP Lenders to secure all advances under the DIP Facility. KSV is of the view that the DIP Lenders' Charge is required as: (i) the Applicants are in immediate need of liquidity, including to fund payroll; (ii) the terms of the DIP Facility are reasonable for the reasons set out in Section 4.1 of this Pre-Filing Report; and (iii) the DIP Lenders are not prepared to provide further financing without the benefit of the DIP Lenders' Charge.

### **5.4 Priority of Charges**

1. The Applicants propose 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 \$375,000;

- b) second, the Directors' Charge \$1,801,000; and
  - c) the DIP Lender's Charge US\$1,500,000, plus interest, fees and expenses, provided that the DIP Lender's Charge shall be subordinate to the RBC/EDC security;
2. The Monitor is of the view that the priority of the Charges is appropriate and in the interest of facilitating these proceedings.

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

1. On its application for the Initial Order, the Applicants are seeking a provision permitting them to make payments to certain critical vendors integral to the operation of the business in respect of obligations arising prior to the commencement of the CCAA proceedings.
2. The Applicants seek authorization to pay these obligations subject to the consent of the Monitor and the DIP Lender. The Monitor will consider, 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 Applicants' property or business; and
  - c) the total of critical vendor payments.
3. KSV is supportive of the Applicants' request for the inclusion of a provision authorizing them to pay certain pre-filing obligations owing to critical vendors. 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 to preserve and enhance the value of the Applicants' business.

## **7.0 Cash Management System**

1. The Applicants' cash management system (the "Cash Management System") is detailed in the Sahai Affidavit, and accordingly, is not repeated in this Pre-Filing Report.
2. In connection with these CCAA proceedings, the Applicants are seeking the authority to continue to operate the Cash Management System to maintain the funding and banking arrangements already in place.
3. The proposed Monitor believes that it is necessary for the Applicants to continue using their existing Cash Management System as the Cash Management System includes the necessary accounting controls to enable the Applicants to trace funds and ensure that all transactions are adequately documented and readily ascertainable. A material change to the Applicants' Cash Management System is likely to disrupt operations, which is not in the interest of the Applicants or its stakeholders.

## 8.0 Chapter 15 Proceedings

1. The Applicants are seeking 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 CPL to act as the foreign representative for the purpose of the Chapter 15 Proceedings.
2. KSV understands that the Applicants do not intend to file for Chapter 15 Proceedings at this time but are seeking this relief now in the event creditors take unexpected actions against the Applicants’ US entities and the Applicants need to seek Chapter 15 protection prior to the Comeback Motion.

## 9.0 Creditor Notification

1. The proposed Initial Order requires the Monitor to:
  - a) publish without delay a notice in the Globe and Mail 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 Applicants 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.

## 10.0 Comeback Motion

1. If the Initial Order is granted, the Applicants intend 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) clarifying that during the stay of proceedings, no party may assert rights of set-off in respect of any obligations owing before the commencement of these CCAA proceedings without an order of the Court (iii) approving a key employee retention plan (iv) increasing the amount of each of the Charges; (v) approving an engagement letter between the Applicants and their Financial Advisor, and (vi) granting the Financial Advisor a charge in respect of the transaction fee potentially payable to it pursuant to such engagement letter; and

- b) an Order (the “SISP Approval Order”), among other things: (i) approving the SISP; and (ii) authorizing and directing the Applicants, 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 Applicants are seeking at the Comeback Motion in advance of same.

## 11.0 Conclusion and Recommendation

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

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS PROPOSED MONITOR OF  
CONTRACT PHARMACEUTICALS LIMITED,  
CPL CANADA HOLDCO LIMITED,  
CONTRACT PHARMACEUTICALS LIMITED CANADA,  
GLASSHOUSE PHARMACEUTICALS  
LIMITED CANADA, AND GLASSHOUSE  
PHARMACEUTICALS LLC  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**

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 CONTRACT PHARMACEUTICALS LIMITED, CPL CANADA HOLDCO LIMITED, CONTRACT PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE PHARMACEUTICALS LIMITED CANADA, AND GLASSHOUSE PHARMACEUTICALS LLC**

Applicants

**CONSENT OF THE PROPOSED MONITOR**

**KSV Restructuring Inc.** hereby consents to act as the Court-appointed monitor of Contract Pharmaceuticals Limited, CPL Canada Holdco Limited, Contract Pharmaceuticals Limited Canada, Glasshouse Pharmaceuticals Limited Canada, And Glasshouse Pharmaceuticals LLC (the "**Applicants**"), pursuant to the terms of the initial order contained in the Applicants' Application Record and the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, in respect of these proceedings.

Dated: December 14, 2023

**KSV RESTRUCTURING INC.**

Per:



---

Name: Noah Goldstein  
Title: Managing Director



## **Appendix “B”**

Contract Pharmaceuticals Limited  
**Projected Statement of Cash Flows**  
For the Period Ending March 29, 2024  
(Unaudited; C\$000s)

	Note	Week Ending															Total
		22-Dec-23	29-Dec-23	05-Jan-24	12-Jan-24	19-Jan-24	26-Jan-24	02-Feb-24	09-Feb-24	16-Feb-24	23-Feb-24	01-Mar-24	08-Mar-24	15-Mar-24	22-Mar-24	29-Mar-24	
Receipts	1																
Collection of Accounts Receivable	2	1,589	831	1,538	1,511	2,725	1,735	1,259	1,788	1,734	1,230	2,114	757	691	1,119	1,900	22,521
<b>Total Receipts</b>		<b>1,589</b>	<b>831</b>	<b>1,538</b>	<b>1,511</b>	<b>2,725</b>	<b>1,735</b>	<b>1,259</b>	<b>1,788</b>	<b>1,734</b>	<b>1,230</b>	<b>2,114</b>	<b>757</b>	<b>691</b>	<b>1,119</b>	<b>1,900</b>	<b>22,521</b>
Disbursements																	
Production costs	3	944	867	1,037	1,033	1,167	944	837	833	817	894	837	833	817	894	817	13,574
Payroll	4	27	1,010	27	1,010	27	1,010	27	1,010	27	1,010	27	1,010	27	1,010	27	7,283
Capital expense	5	100	-	-	-	200	-	-	-	200	-	-	-	200	-	-	700
Rent	6	-	-	151	-	-	-	151	-	-	-	151	-	-	-	-	452
Other operating expenses	7	87	57	170	49	170	57	194	49	140	230	200	49	140	79	469	2,141
Contingency		50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	750
<b>Total Operating disbursements</b>		<b>1,208</b>	<b>1,984</b>	<b>1,435</b>	<b>2,142</b>	<b>1,614</b>	<b>2,061</b>	<b>1,259</b>	<b>1,942</b>	<b>1,234</b>	<b>2,184</b>	<b>1,265</b>	<b>1,942</b>	<b>1,234</b>	<b>2,033</b>	<b>1,363</b>	<b>24,900</b>
<b>Net Cash Flow before the Undernoted</b>		<b>381</b>	<b>(1,153)</b>	<b>103</b>	<b>(631)</b>	<b>1,111</b>	<b>(326)</b>	<b>(0)</b>	<b>(153)</b>	<b>500</b>	<b>(954)</b>	<b>849</b>	<b>(1,185)</b>	<b>(543)</b>	<b>(914)</b>	<b>536</b>	<b>(2,379)</b>
Professional Fees	8	709	497	327	225	152	260	240	240	185	263	263	225	553	137	2,524	6,799
<b>Net Cash Flow</b>		<b>(328)</b>	<b>(1,650)</b>	<b>(224)</b>	<b>(856)</b>	<b>959</b>	<b>(586)</b>	<b>(240)</b>	<b>(393)</b>	<b>316</b>	<b>(1,217)</b>	<b>586</b>	<b>(1,410)</b>	<b>(1,096)</b>	<b>(1,051)</b>	<b>(1,988)</b>	<b>(9,178)</b>
Opening Cash balance	9	1,347	3,059	1,409	1,185	1,689	2,648	2,063	1,823	1,429	1,745	1,888	2,474	2,425	2,009	1,638	1,347
Net Cash Flow		(328)	(1,650)	(224)	(856)	959	(586)	(240)	(393)	316	(1,217)	586	(1,410)	(1,096)	(1,051)	(1,988)	(9,178)
DIP proceeds	10	2,040	-	-	1,360	-	-	-	-	-	1,360	-	1,360	680	680	680	8,160
<b>Closing cash balance</b>		<b>3,059</b>	<b>1,409</b>	<b>1,185</b>	<b>1,689</b>	<b>2,648</b>	<b>2,063</b>	<b>1,823</b>	<b>1,429</b>	<b>1,745</b>	<b>1,888</b>	<b>2,474</b>	<b>2,425</b>	<b>2,009</b>	<b>1,638</b>	<b>330</b>	<b>330</b>

The above financial projections are based on management's assumptions detailed in Appendix "1-1".  
The note references correspond to the assumption numbers shown in Appendix "1-1".

**Notes to Projected Statement of Cash Flows**

For the Period Ending March 29, 2024

(Unaudited; C\$000s)

---

**Purpose and General Assumptions**

1. The purpose of the projection is to present a forecast of the cash flow of Contract Pharmaceuticals Limited, CPL Canada Holdco Limited, Contract Pharmaceuticals Limited Canada, Glasshouse Pharmaceuticals Limited Canada, and Glasshouse Pharmaceuticals LLC (collectively, the "Applicants") for the period December 15, 2023 to March 29, 2024 (the "Period").

**Hypothetical**

2. Represents projected collections of current and future accounts receivable.

**Most Probable**

3. Includes costs related to the production and manufacturing of pharmaceutical products.
4. Includes payroll and benefits for all of the Applicants' employees.
5. Represents costs incurred for general maintenance and upkeep of production equipment.
6. Represents occupancy costs, including rent, for the Applicants' leased premises in Mississauga, ON.
7. Represents general operating costs, including sales and marketing, software, administrative costs, overhead costs, DIP Facility fees and interest, and other sundry items.
8. Includes the estimated payments to the Monitor, its legal counsel, the Applicants' Canadian and US legal counsel, the Financial Advisor, the DIP Lender's legal counsel, and the DIP Lender's financial advisor.
9. Opening cash reflected as of December 13, 2023.
10. Reflects projected DIP funding to be provided by the DIP Lender, as defined and pursuant to the terms of the DIP Term Sheet, converted at a rate of \$1.36.

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 CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED, CONTRACT  
PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE  
PHARMACEUTICALS LIMITED CANADA, AND GLASSHOUSE  
PHARMACEUTICALS LLC

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

The management of Contract Pharmaceuticals Limited, CPL Canada Holdco Limited, Contract Pharmaceuticals Limited Canada, Glasshouse Pharmaceuticals Limited Canada, and Glasshouse Pharmaceuticals LLC (collectively, the "Applicants") has developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 14th day of December, 2023 for the period December 15, 2023 to March 29, 2024 ("Cash Flow Forecast"). All such assumptions are disclosed in the notes to the Cash Flow Forecast.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Cash Flow Forecast as described in Note 1 to the Cash Flow Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow Forecast.

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

The Cash Flow Forecast has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

Dated at Toronto, ON this 14th day of December, 2023.

**CONTRACT PHARMACEUTICALS LIMITED, CPL CANADA HOLDCO LIMITED, CONTRACT  
PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE PHARMACEUTICALS LIMITED  
CANADA, AND GLASSHOUSE PHARMACEUTICALS LLC**



Per: John Wilkening

## **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 CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED, CONTRACT  
PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE  
PHARMACEUTICALS LIMITED CANADA, AND GLASSHOUSE  
PHARMACEUTICALS LLC**

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

The attached consolidated statement of projected cash-flow of Contract Pharmaceuticals Limited, CPL Canada Holdco Limited, Contract Pharmaceuticals Limited Canada, Glasshouse Pharmaceuticals Limited Canada, and Glasshouse Pharmaceuticals LLC (collectively, the "Applicants") as of the 14th day December, 2023, consisting of a weekly projected cash flow statement for the period December 15, 2023 to March 29, 2024 (the "Cash Flow Forecast") has been prepared by the management of the Applicants for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management of the Applicants. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow Forecast.

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

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

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Forecast will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow Forecast has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, ON this 14th day of December, 2023.

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
solely in its capacity as the proposed monitor of  
Contract Pharmaceuticals Limited,  
CPL Canada Holdco Limited,  
Contract Pharmaceuticals Limited Canada,  
Glasshouse Pharmaceuticals Limited Canada, and  
Glasshouse Pharmaceuticals LLC**

## **Appendix “D”**



**DIP FINANCING TERM SHEET**

**Dated as of December 14, 2023**

**WHEREAS** Contract Pharmaceuticals Limited Canada (the “**Borrower**”) has requested and the DIP Lender (as defined below) has agreed to provide financing to the Borrower during the pendency of the Obligors’ (as defined below) proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) to be commenced before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) and any foreign recognition proceedings in respect thereof commenced by the Obligors in their reasonable discretion and in consultation with the Monitor and the DIP Lender (collectively, the “**CCAA Proceedings**”), such financing to be provided in accordance with the terms and conditions set out herein;

**AND WHEREAS**, the DIP Lender has agreed to provide financing in order to fund certain obligations of the Obligors during the CCAA Proceedings and the Obligors’ pursuit of the SISP (as defined below);

**NOW THEREFORE**, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1. **BORROWER:** Contract Pharmaceuticals Limited Canada
2. **GUARANTORS:** Contract Pharmaceuticals Limited, CPL Canada Holdco Limited, Glasshouse Pharmaceuticals Limited Canada and Glasshouse Pharmaceuticals LLC (collectively, the “**Guarantors**” and each individually a “**Guarantor**”).
3. **DIP LENDER:** Deerfield Private Design Fund IV, L.P., as agent for itself and Deerfield Private Design Fund III, L.P. (collectively, the “**DIP Lender**”).
4. **DEFINED TERMS:** Unless otherwise defined herein, capitalized words and phrases used in this DIP Financing Term Sheet have the meanings given thereto in Schedule A hereto. Unless otherwise noted, all references to currency, “dollars” or “\$” shall be deemed to refer to United States dollars.
5. **DIP FACILITY;  
DRAWDOWNS:** A senior secured debtor-in-possession, interim, non-revolving multiple draw credit facility (the “**DIP Facility**”) up to a maximum principal amount of \$6,000,000 (the “**Facility Amount**”), subject to the terms and conditions contained herein.

The DIP Facility shall be made available to the Borrower by way of:

(a) an initial advance (the “**Initial Advance**”) in a principal amount of \$1,500,000; and

(b) one or more subsequent advances (each a “**Subsequent Advance**”) in an aggregate principal amount of up to \$6,000,000, provided that the sum of the Initial Advance and the Subsequent Advances shall not exceed the Facility Amount. The timing for each Subsequent Advance shall be determined by the Borrower and the DIP Lender based on the Borrower’s funding needs and in accordance with the DIP Budget.

The Initial Advance shall be advanced to the Borrower by the DIP Lender by wire transfer within one (1) Business Day of the date on which the Initial Advance Conditions are satisfied or waived by the DIP Lender.

Each Subsequent Advance shall be advanced by the DIP Lender to the Borrower by wire transfer within three (3) Business Days of the date on which the Borrower delivers to the DIP Lender a request in writing in respect of such Subsequent Advance, provided that the Subsequent Advance Conditions are satisfied or waived by the DIP Lender.

**6. INTEREST:**

Interest shall be payable in cash on the aggregate outstanding principal of the Facility Amount from the date of the funding thereof at a rate equal to 12.5% *per annum*, compounded monthly and payable monthly in arrears in cash on the last Business Day of each month.

All interest and fees shall be computed on the basis of a year of 365 days (or a 366 day year, in the case of a leap year), provided that whenever a rate of interest or fee hereunder is calculated on the basis of a year (the “**deemed year**”) that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

The parties shall comply with the following provisions to ensure that no receipt by the DIP Lender of any payments under this DIP Financing Term Sheet would result in a breach of section 347 of the *Criminal Code* (Canada):

- (a) If any provision of this DIP Financing Term Sheet would obligate the Borrower to make any payment to the DIP Lender of an amount that constitutes “interest”, as such term is defined in the *Criminal Code* (Canada) and referred to in this section as “**Criminal Code Interest**”, during any one-year period after the date of the funding of the Initial Advance in an amount or calculated at a rate which would result in the receipt by the DIP Lender of Criminal Code Interest at a criminal rate (as defined in the *Criminal Code* (Canada) and referred to in this section as a “**Criminal Rate**”), then, notwithstanding such provision, that amount or rate during such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the DIP Lender during such one-year period of Criminal Code Interest at a Criminal Rate, and the adjustment shall be effected, to the extent necessary, as follows:
  - (i) *first*, by reducing the amount or rate of interest required to be paid to the DIP Lender during such one-year period; and
  - (ii) *thereafter*, by reducing any other amounts (other than costs and expenses) (if any) required to be paid to the DIP Lender during such one-year period which would constitute Criminal Code Interest.
- (b) Any amount or rate of Criminal Code Interest referred to in this section shall be calculated and determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any portion of the DIP Facility remains outstanding on the assumption that any charges, fees or expenses that constitute Criminal Code Interest shall be *pro-rated* over the period commencing on the date of the advance of the Facility Amount and ending on the relevant Maturity Date (as may be extended by the

DIP Lender from time to time under this DIP Financing Term Sheet).

**7. DEFAULT INTEREST**

After the occurrence of any Event of Default which is continuing and either (i) of which the DIP Lender had no knowledge or (ii) if the DIP Lender did have knowledge, in respect of which the DIP Lender has provided notice to the Obligors, the interest rate otherwise applicable hereunder shall increase by an additional 2.0% *per annum* on all amounts owing hereunder until indefeasibly paid in full in cash.

**8. COMMITMENT FEE**

The Borrower shall pay to the DIP Lender a commitment fee (the “**Commitment Fee**”) equal to (i) 3.0% of the principal amount of the Initial Advance, earned on the commencement of the CCAA Proceedings *plus* (ii) 3.0% of the remaining Facility Amount (excluding, for certainty, the principal amount of the Initial Advance), which shall be earned in full upon the granting of the Amended Order approving borrowings up to the Facility Amount. The Commitment Fee shall be secured by the DIP Lender Charge and the entirety of the Commitment Fee shall be paid in cash on the Maturity Date.

**9. COSTS AND EXPENSES**

The Borrower shall be liable to reimburse, without duplication, the DIP Lender and the lenders under the Pre-Filing Debt Agreement for all reasonable and documented out-of-pocket expenses (including reasonable and documented fees and expenses of DIP Lender’s Canadian and US legal counsel and one financial advisor) in connection with negotiating and documenting the DIP Facility, preparing for, and participating in the CCAA Proceedings and the SISF, and the on-going monitoring, administration and enforcement of the DIP Facility, (the “**DIP Lender Expenses**”). For greater certainty, the DIP Lender Expenses shall not be subject to any cap including any amount contemplated in the DIP Budget and shall not form part of the calculation of any variances under the DIP Budget.

**10. PURPOSE AND PERMITTED PAYMENTS:**

The Borrower shall use proceeds of the DIP Facility solely for the following purposes, in each case in accordance with the Initial Order or the Amended Order, as applicable:

- (a) to pay (i) the DIP Lender Expenses in accordance with Section 9 hereof, (ii) the reasonable and documented financial advisory fees of SSG and

legal fees and expenses of the Borrower in accordance with the DIP Budget (subject to the Permitted Variance), (iii) the reasonable and documented fees and expenses of the Monitor and its legal counsel and (iv) the reasonable and documented legal fees and expenses of EDC and RBC;

- (b) to pay other fees and interest owing to the DIP Lender under this DIP Financing Term Sheet; and
- (c) to fund the Borrower's and the other Obligors' general corporate and working capital purposes, including, funding the CCAA Proceedings and the pursuit of the SISP, in accordance with the DIP Budget (subject to the Permitted Variance).

The Borrower may use the proceeds of the DIP Facility to pay pre-filing obligations with the consent of the Monitor and the DIP Lender, acting reasonably to the extent such payments are authorized by the Initial Order or the Amended Order.

**11. CONDITIONS  
PRECEDENT TO INITIAL  
ADVANCE:**

The DIP Lender's obligation to fund the Initial Advance to the Borrower is subject to the satisfaction or waiver by the DIP Lender of the following conditions precedent (the "**Initial Advance Conditions**"):

- (a) The Obligors shall have executed and delivered this DIP Financing Term Sheet;
- (b) The Obligors shall have provided to the DIP Lender a draft copy of all material documents to be served and/or filed in connection with its application for the Initial Order at least two (2) Business Days (or as soon as is reasonably practicable in the relevant circumstances) before the earlier of service and filing thereof to permit review by the DIP Lender and its legal advisors, unless otherwise consented to in writing by the DIP Lender, which material documents shall include the proposed Initial Order attached hereto as Schedule C, and all such material documents shall be in form and substance satisfactory to the DIP Lender;
- (c) The Court shall have entered the Initial Order in substantially the form of Schedule C hereto, which

shall include the grant by the Court of a charge in favour of the DIP Lender (the “**DIP Lender Charge**”) on the Collateral, securing all obligations owing to the DIP Lender hereunder including, without limitation, all principal, interest and fees owing to the DIP Lender and the DIP Lender Expenses (collectively, the “**DIP Financing Obligations**”), provided that the amount of such DIP Lender Charge shall not exceed \$1,500,000, plus interest, fees and costs, pursuant to the Initial Order;

- (d) Upon the granting of the DIP Lender Charge pursuant to the Initial Order, there shall be no Liens ranking *pari passu* with or in priority to the DIP Lender Charge over the property and assets of the Obligors, other than the Permitted Priority Liens;
- (e) All representations and warranties contained in this Term Sheet shall be true and correct on the date of such requested Initial Advance with the same effect as if made on and as of such date;
- (f) No Event of Default shall have occurred or will occur as a result of the Initial Advance; and
- (g) All DIP Lender Expenses incurred in connection with the establishment of the DIP Facility and invoiced by no later than one (1) Business Day prior to the funding of the Initial Advance shall have been paid in full as and to the extent required under Section 9 (which expenses may be deducted from the Initial Advance).

**12. CONDITIONS  
PRECEDENT TO EACH  
SUBSEQUENT ADVANCE:**

The DIP Lender’s obligation to fund each Subsequent Advance requested by the Borrower is subject to the satisfaction or waiver by the DIP Lender of the following conditions precedent (the “**Subsequent Advance Conditions**”):

- (a) The Obligors shall have provided to the DIP Lender a draft copy of all material documents to be served and/or filed in connection its motion for the Amended Order and the SISP Order at least two (2) Business Days (or as soon as is reasonably practicable in the relevant circumstances) before the earlier of service and filing thereof to permit review

by the DIP Lender and its legal advisors, unless otherwise consented to in writing by the DIP Lender, which material documents shall include the proposed Amended Order and SISP Order attached hereto as Schedule D and Schedule F, respectively, and all such material documents shall be in form and substance satisfactory to the DIP Lender;

- (b) At the comeback motion in respect of the Amended Order and the SISP Order (the “**Comeback Motion**”), the Court shall have issued (i) the Amended Order in substantially the form of Schedule D hereto, including as necessary to provide that the DIP Lender Charge shall be increased to the Facility Amount and shall have priority over all Liens in respect of the Collateral other than the Permitted Priority Liens and (ii) the SISP Order in substantially the form of Schedule F hereto;
- (c) The Amended Order and the SISP Order shall not have been stayed, vacated or otherwise amended, restated or modified without the consent of the DIP Lender, acting reasonably;
- (d) There shall be no Liens ranking *pari passu* or in priority to the DIP Lender Charge in respect of the Collateral other than the Permitted Priority Liens;
- (e) All representations and warranties contained in this Term Sheet shall be true and correct in all material respects on the date of such requested Subsequent Advance with the same effect as if made on and as of such date (except where expressly made with reference to a specified prior date);
- (f) No Event of Default shall have occurred or will occur as a result of the Subsequent Advance; and
- (g) All DIP Lender Expenses incurred in connection with the DIP Facility and invoiced by no later than one (1) Business Day prior to the funding of the Subsequent Advance shall have been paid in full as and to the extent required under Section 9 (which expenses may be deducted from the Subsequent Advance).

**13. DIP FACILITY SECURITY:**

All obligations of the Obligors to the DIP Lender hereunder (including, for certainty, the Guarantors' guarantee obligations in respect thereof pursuant to Section 24) shall be secured by the DIP Lender Charge, which DIP Lender Charge shall have priority over all Liens in respect of the Collateral other than the Permitted Priority Liens.

The DIP Financing Term Sheet, the Initial Order and the Amended Order shall create valid security interests in, and Liens on, the Collateral purported to be covered thereby, which security interests and Liens shall be perfected security interests and Liens, prior to all other Liens in respect of the Collateral other than the Permitted Priority Liens.

**14. REPAYMENT:**

The DIP Facility shall be repayable in full on the earlier of: (i) the occurrence of any Event of Default hereunder which is continuing and has not been cured or waived in writing, and a demand for repayment in writing having been made in accordance with Section 23 in respect thereof; (ii) the consummation of a transaction pursuant to the SISF or a plan of compromise or arrangement under the CCAA; and (iii) April 30, 2024 (the earliest of such dates being the "**Maturity Date**"). The Maturity Date may be extended from time to time at the request of the Borrower and with the prior written consent of the DIP Lender for such period and on such terms and conditions as the Borrower and the DIP Lender may agree, provided that any material amendments to the terms and conditions shall be also be subject to the prior written consent of the Monitor.

**15. DIP BUDGET AND VARIANCE REPORTING:**

Attached as Schedule B hereto is a copy of the agreed initial DIP Budget as in effect on the date hereof, which the DIP Lender acknowledges and agrees has been reviewed and approved by the DIP Lender, and is in form and substance satisfactory to the DIP Lender. Such DIP Budget shall be the DIP Budget referenced in this DIP Financing Term Sheet until such time as a revised DIP Budget has been approved by the DIP Lender in writing in accordance with this Section 15.

The Borrower may update and propose a revised DIP Budget to the DIP Lender no more frequently than every two (2) weeks (unless otherwise consented to in writing by the DIP Lender), in each case to be delivered to the DIP Lender and to the Monitor, no earlier than the Friday of the second week following the date of the delivery of the prior DIP Budget. If the DIP Lender, acting reasonably, determines that the



proposed revised DIP Budget is not acceptable, it shall, within three (3) Business Days of receipt thereof, provide written notice to the Borrower and the Monitor stating that the proposed revised DIP Budget is not acceptable and setting out the reasons why such revised DIP Budget is not acceptable, and until the Borrower has delivered a revised DIP Budget acceptable to the DIP Lender, the prior DIP Budget shall remain in effect. In the event that the DIP Lender does not deliver to the Borrower written notice within three (3) Business Days after receipt by it of a proposed revised DIP Budget in accordance with this Section 15 that such proposed revised DIP Budget is not acceptable to the DIP Lender, such proposed revised DIP Budget shall automatically and without further action be deemed to have been accepted by the DIP Lender and become the DIP Budget for the purposes hereof.

At any time, the latest DIP Budget accepted by the DIP Lender (or which has not been designated as not acceptable by the DIP Lender by written notice to the Borrower, as provided above), shall be the DIP Budget for the purpose of this DIP Financing Term Sheet.

On the last Business Day of every week following the date of the Initial Order, the Borrower shall deliver to the DIP Lender's financial advisor, a variance report with respect to the period ending on the last Business Day immediately preceding week (the "**Variance Report**") setting forth actual receipts and disbursements on a weekly and cumulative basis since the beginning of the period covered by the then-current DIP Budget, in each case as against the then-current DIP Budget, and setting forth all the variances in comparison to the amounts set forth in respect thereof in the DIP Budget. Each such Variance Report shall be promptly discussed with the DIP Lender and its financial advisor within two (2) Business Days of delivery thereof or such later date as may be agreed by the DIP Lender, acting reasonably.

**16. PREPAYMENTS:**

The Borrower may, without premium or penalty, prepay any amounts outstanding under the DIP Facility at any time prior to the Maturity Date.

**17. CCAA PLAN**

Any plan of compromise or arrangement under the CCAA advanced by any Obligor or all of them in the CCAA Proceedings shall (i) have the result of paying in full in cash

all amounts owing under this DIP Financing Term Sheet, or (ii) otherwise be acceptable to the DIP Lender.

**18. CURRENCY:**

If any payment is received by the DIP Lender hereunder in a currency other than United States dollars, or, if for the purposes of obtaining judgment in any court it is necessary to convert a sum due in United States dollars (the “**Original Currency**”) into another currency (the “**Other Currency**”), the parties hereby agree, to the fullest extent permitted by Applicable Law, that the rate of exchange used shall be the rate at which the DIP Lender is able to purchase the Original Currency with the Other Currency after any premium and costs of exchange on the Business Day preceding that on which such payment is made or final judgment is given.

**19. REPRESENTATIONS AND WARRANTIES:**

Each Obligor represents and warrants to the DIP Lender, upon which the DIP Lender is relying in entering into this DIP Financing Term Sheet:

- (a) The transactions contemplated by this DIP Financing Term Sheet:
  - (i) are within the corporate power of such Obligor;
  - (ii) have been duly authorized, executed and delivered by such Obligor;
  - (iii) shall constitute legal, valid and binding obligations of such Obligor, enforceable against such Obligor in accordance with their terms;
  - (iv) upon the granting of the Initial Order, do not require any authorization from, the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party; and
  - (v) will not violate the organizational documents of such Obligor or any Applicable Law.
- (b) The Collateral is free and clear of all Liens other than Permitted Liens;
- (c) None of the reports, financial statements, certificates or other written information furnished by or on behalf of the Obligors to the DIP Lender or its advisors in connection with the negotiation of this DIP Financing Term Sheet or delivered with

respect thereto (as modified or supplemented by other information so furnished), contains any misstatement of material fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which it was made, not materially misleading; provided that to the extent any such reports, financial statements, certificates or other written information therein was based upon or constitutes a forecast or projection, each Obligor represents only that it has acted in good faith and utilized assumptions believed by it to be reasonable at the time made (it being understood that any such forecasts or projections are subject to significant uncertainties and contingencies, many of which are beyond such Obligor's control, that no assurance can be given that any such forecasts or projections will be realized and that actual results may differ from any such forecasts or projections and such differences may be material);

- (d) Such Obligor acknowledges and confirms that the Pre-Filing Debt and Security Documents are enforceable obligations and the amounts due and owing thereunder are, as of the date of this DIP Financing Term Sheet and as the case may be, properly due and owing and the security interests granted thereunder continue to create valid and perfected security interests in the Collateral, subject in all cases to the stay of proceedings and other provisions set out in the Initial Order, the Amended Order and any other Court Order;
- (e) The business operations of such Obligor have been and will continue to be conducted in compliance with Applicable Law except to the extent otherwise provided by the Initial Order, the Amended Order and any other Court Order;
- (f) There are no material business operations or assets of any Obligor conducted or located in the United States, as the case may be;
- (g) Neither such Obligor, nor any of its affiliated entities, nor, to the knowledge of such Obligor and its affiliated entities, any director, officer, employee, agent, affiliate or representative thereof,

is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Target and the Investment Bank List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction;

- (h) Such Obligor has obtained all material licences and permits required for the operation of its business, which licences and permits remain in full force and effect and no proceedings have been commenced or threatened to revoke or amend any of such licences or permits;
- (i) Such Obligor owns, or possesses the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights that are reasonably necessary for the operation of its business;
- (j) Such Obligor maintains adequate insurance coverage, as is customary with companies in the same or similar business (except with respect to directors' and officers' insurance in respect of which no representation is made regarding adequacy of coverage) of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope;
- (k) Such Obligor has maintained and paid current its obligations for payroll, source deductions, harmonized, goods and services and retail sales tax, and all other applicable taxes, and is not in arrears of its statutory obligations to pay or remit any amount in respect of these obligations;
- (l) Such Obligor is not aware of any introduction, amendment, repeal or replacement of any Applicable Law being made or proposed which

could reasonably be expected to have a material adverse effect on such Obligor or its businesses;

- (m) Other than as stayed pursuant to the Initial Order or the Amended Order, as applicable, there is not now pending or, to the knowledge of any of the senior officers or directors of such Obligor, threatened against such Obligor, nor has such Obligor received notice in respect of, any material claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, Governmental Authority or regulatory body;
- (n) All material contracts to which such Obligor is a party are in full force and effect and are valid, binding and enforceable in accordance with their terms and, other than with respect to the RBC Credit Agreement, the EDC Credit Agreement and the Pre-Filing Debt Agreement, such Obligor has no knowledge of any default that has occurred and is continuing thereunder (other than those defaults arising as a result of the commencement of the CCAA Proceedings);
- (o) Such Obligor does not have any defined benefit pension plans or similar plans providing for defined post-retirement payments; and
- (p) Such Obligor has not entered into any material transaction or other written contractual relationship with any related party except as permitted under the Pre-Filing Debt Agreement.

**20. AFFIRMATIVE COVENANTS:**

For so long as the DIP Financing Obligations remain outstanding, each Obligor agrees to do, or cause to be done, the following, unless otherwise consented to or waived in writing by the DIP Lender, acting reasonably:

- (a) Serve its materials for the Comeback Motion on all parties reasonably requested by the DIP Lender's legal counsel, including all secured parties that did not receive notice of the application for the Initial Order and shall include a motion by the Borrower requesting that the Court order that the DIP Lender Charge shall rank in priority to the Liens of any such

secured parties that did not receive notice of the application for the Initial Order;

- (b) (i) Provide representatives of the DIP Lender with reasonable access to its books, records, and financial information, and (ii) cause management, SSG and legal counsel of the Obligors, to cooperate with reasonable requests for information by the DIP Lender and its advisors, in each case subject to solicitor-client privilege, all Court Orders and applicable privacy laws and the Borrower's confidentiality obligations to third parties, in connection with matters reasonably related to the DIP Facility, or compliance by the Obligors with their obligations under this DIP Financing Term Sheet and subject in all cases to any restrictions in respect thereof under the SISP and the SISP Order in the event that the DIP Lender is, or may be, a participant in the SISP Process;
- (c) Without duplication, deliver to the DIP Lender the reporting and other information required pursuant to the Pre-Filing Debt Agreement and this DIP Financing Term Sheet including, without limitation, the Variance Reports at the times set out herein;
- (d) Keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Obligors, the CCAA Proceedings and any proceedings commenced in the United States in respect of any Obligor pursuant to Applicable Laws, if any;
- (e) Use the proceeds of the DIP Facility only in accordance with Section 10 and in accordance with the restrictions set out herein and consistent with the DIP Budget subject to the Permitted Variance;
- (f) Comply with the provisions of the Initial Order, the Amended Order, the SISP Order and all other orders of the Court entered in connection with the CCAA Proceedings (collectively, the "**Court Orders**" and each a "**Court Order**");
- (g) Promptly notify the DIP Lender upon becoming aware of the occurrence of any Event of Default;

- (h) Comply in all material respects with Applicable Law, except if otherwise required or permitted in accordance with any Court Order;
- (i) Take all actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or vacating to the extent that such appeal, reversal, modification, amendment, stay, or vacating might materially adversely affect the rights and interests of the DIP Lender;
- (j) Comply with the DIP Budget subject to the Permitted Variance;
- (k) Provide the DIP Lender's legal counsel with draft copies of all court materials (including motions, applications and proposed orders) that any Obligor intends to file in the CCAA Proceedings at least two (2) Business Days (or as soon as is reasonably practicable in the relevant circumstances) in advance of the service of such materials to the service list in respect of the CCAA Proceedings; provided that all such filings by the Obligors shall be in form and substance reasonably acceptable to the DIP Lender and its legal counsel;
- (l) Take all actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or being vacated, to the extent, if successful, such appeal reversal, modification, amendment, stay or vacation would reasonably be expected to be adverse to the interests of the DIP Lender;
- (m) Adhere in all material respects to the SISP and SISP Milestones;
- (n) At all times maintain adequate insurance coverage of such kind and in such amounts and against such risks as is customary for the business of such Obligor with financially sound and reputable insurers, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope;

- (o) Execute and deliver, and cause each other Obligor to execute and deliver such loan and collateral security documentation including, without limitation, such security agreements, financing statements, discharges, opinions or other documents and information, if required or desirable in the DIP Lender's and its counsel's reasonable discretion, upon the DIP Lender's request, it being acknowledged that no such documentation or other actions are required in connection with the Initial Advance; and
- (p) Promptly provide notice to the DIP Lender and its counsel, and keep them otherwise apprised, of any material developments in respect of any material contract, and of any material notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over such Obligor.

**21. NEGATIVE COVENANTS:** For so long as any Advances remain outstanding, each Obligor covenants and agrees not to do, or cause not to be done, the following, unless otherwise consented to or waived in writing by the DIP Lender, acting reasonably:

- (a) Transfer, lease or dispose of all or any part of its property, assets or undertaking outside of the ordinary course of business, except such asset sales or dispositions as are permitted pursuant to the Court Orders, and which have been approved by the DIP Lender, acting reasonably;
- (b) Permit the transfer of any funds advanced in connection with this DIP Financing Term Sheet to any affiliate of an Obligor that is not an Obligor without the prior written consent of the DIP Lender;
- (c) Make any payment, including, without limitation, any payment of principal, interest or fees, in respect of pre-filing indebtedness, or in respect of any other pre-filing liabilities, other than with the consent of the Monitor and the DIP Lender, acting reasonably, in such amounts as are permitted to be paid pursuant to the Initial Order and the Amended Order and provided that the aggregate amount of all such pre-



filing amounts shall not exceed the aggregate amount set out in the DIP Budget;

- (d) Create or permit to exist any indebtedness other than (A) the indebtedness existing as of the date hereof, (B) the DIP Financing Obligations and (C) post-filing trade payables or other obligations incurred in the ordinary course of business in accordance with the DIP Budget (subject to the Permitted Variance);
- (e) Make any loans, grants of financial assistance, distribution, dividend, return of capital or other distribution in respect of, or any redemption of, equity securities (in cash, securities or other property or otherwise);
- (f) Make any investments or acquisitions whether direct or indirect, other than as reflected in the DIP Budget, provided that each Obligor may make intercompany advances to any other Obligor in order to fund such other Obligors' obligations to the extent permitted to be paid in accordance with Section 10;
- (g) Challenge, or support any other Person's challenge of, the Pre-Filing Debt and Security Documents, the DIP Lender Charge and claims of the DIP Lender under and in connection with this DIP Financing Term Sheet;
- (h) Create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens;
- (i) Amalgamate, consolidate with or merge into or sell all or substantially all of its assets to another entity, or change its corporate or capital structure (including their organizational documents) or enter into any agreement committing to such actions except in connection with the SISF;
- (j) Seek, obtain, support, make or permit to be made any Court Order or any change, amendment or modification to any Court Order, in each case that is adverse to the DIP Lender's interest, except with the prior written consent of the DIP Lender;
- (k) Without the prior written consent of the DIP Lender in its sole discretion, cease to carry on their business

or activities or any material component thereof as currently being conducted or modify or alter in any material manner the nature and type of their operations or business;

- (l) Amend any of its organizational documents, its name, fiscal year end or accounting standards; or
- (m) Seek, or consent to the appointment of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction.

**22. EVENTS OF DEFAULT:**

The occurrence of any one or more of the following events shall constitute an event of default (each an “**Event of Default**”) under this DIP Financing Term Sheet:

- (a) Failure by the Borrower to pay: (i) principal when such amounts become due under this DIP Financing Term Sheet; (ii) interest or other amounts within two (2) Business Days of such amounts becoming due under this DIP Financing Term Sheet; or (iii) costs, fees and expenses of the DIP Lender in accordance with Section 9 hereof within five (5) Business Days of receiving an invoice therefor;
- (b) Failure by the Borrower to (i) meet any SISP Milestone, (ii) deliver any Variance Report within one (1) Business Day of the date set out therefor in Section 15 or (iii) perform or comply with any of the other covenants set out herein (other than as set out in paragraph (a) above or in items (i) and (ii) of this paragraph (b) and such failure remains unremedied for five (5) days following receipt of notice thereof from the DIP Lender;
- (c) Any representation or warranty by the Borrower made in this DIP Financing Term Sheet is or proves to be incorrect or misleading in any material respect as of the date made;
- (d) Issuance of a Court Order: (i) dismissing the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against any Obligor or the Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order against or in respect

of any Obligor, in each case which order is not stayed pending appeal thereof, and other than in respect of a non-material asset not required for the operations of the Obligors' business; (ii) granting any other Lien in respect of the Collateral that is senior in priority to or *pari passu* with the DIP Lender Charge other than as permitted pursuant to this DIP Financing Term Sheet (including, for greater certainty, any Permitted Priority Liens), or (iii) staying, reversing, vacating or otherwise modifying this DIP Financing Term Sheet or the DIP Lender Charge, in each case unless otherwise consented to in writing by the DIP Lender;

- (e) Unless otherwise consented to in writing by the DIP Lender, the expiry without further extension of the stay of proceedings provided for in the Initial Order or the Amended Order, as applicable;
- (f) As at the due date of any Variance Report, there shall exist a negative variance from the DIP Budget in excess of 15% (excluding from such calculation any variance in the DIP Lender Expenses and/or the fees and expenses payable to the Monitor and its counsel) (the "**Permitted Variance**") in either (i) consolidated receipts or (ii) consolidated disbursements, in each case on a cumulative basis since the beginning of the period covered by the then-current DIP Budget;
- (g) The denial or repudiation by the Borrower or any other Obligor of the legality, validity, binding nature or enforceability of this DIP Financing Term Sheet;
- (h) The Initial Order is not granted on or before December 15, 2023; or
- (i) The Amended Order and SISP Order are not granted on or before December 22, 2023.

### **23. REMEDIES:**

Upon the occurrence of an Event of Default, the DIP Lender may (i) immediately terminate its commitments hereunder, and (ii) upon not less than four 4 Business Days' prior written notice to the Obligors and the Monitor, and otherwise subject to the provisions of the Court Orders, declare the DIP Financing Obligations to be immediately due and

payable and may thereafter, exercise any and all of its rights and remedies against the Obligors or the Collateral under or pursuant to this DIP Financing Term Sheet and the DIP Lender Charge, including, without limitation:

- (a) apply to a court for appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against any Obligor and for the appointment of a trustee in bankruptcy of any Obligor;
- (b) set-off or consolidate any amounts then owing by the DIP Lender to the Obligors against the obligations of any such Obligor to the DIP Lender (in its capacity as such) hereunder; and
- (c) exercise all such other rights and remedies under Applicable Law.

**24. GUARANTEE:**

The Guarantors hereby absolutely and unconditionally, jointly and severally, guarantee and agree to be liable for the full and indefeasible payment and performance when due of the DIP Financing Obligations. The guarantee contained in this Section 24 is a guarantee of payment and not of collection.

Each Guarantor agrees that, following an Event of Default, and subject to Section 23, the DIP Lender need not attempt to collect any DIP Financing Obligations from the Borrower or any other Person or to realize upon any Collateral, but may require such Guarantor to make immediate payment of all of the DIP Financing Obligations to the DIP Lender when due.

The liability of the Guarantors under the guarantee contained in this Section 24 is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence to or a discharge, limitation or reduction of the liability of the Guarantors hereunder, other than the indefeasible payment in full of the DIP Financing Obligations, and any and all such legal and equitable defences (other than the indefeasible payment in full of the DIP Financing Obligations) are hereby expressly waived by each Guarantor.

**25. INDEMNITY AND RELEASE**

The Obligors absolutely and unconditionally, jointly and severally, agree to indemnify and hold harmless the DIP

Lender and its directors, officers, employees, advisors (including legal counsel) and agents (all such persons and entities being referred to hereafter as “**Indemnified Persons**”) from and against any and all actions, suits, proceedings, claims, losses, damages and liabilities of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person as a result of or arising out of or in any way related to the DIP Facility or this DIP Financing Term Sheet and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other reasonable out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, the Obligors shall not be obligated to indemnify any Indemnified Person against any loss, claim, damage, expense or liability (x) to the extent it resulted from the gross or intentional fault or intentional breach of such Indemnified Person as finally determined by a court of competent jurisdiction, or (y) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of the Obligors. The Obligors shall not be responsible or liable to any Indemnified Person or any other person for consequential damages, loss of profits or punitive damages.

- 26. FURTHER ASSURANCES:** The Obligors shall, at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents and things as the DIP Lender may reasonably request for the purpose of giving effect to this DIP Financing Term Sheet.
- 27. ENTIRE AGREEMENT;  
CONFLICT:** This DIP Financing Term Sheet, including the schedules hereto, constitutes the entire agreement between the parties relating to the subject matter hereof.
- 28. AMENDMENTS,  
WAIVERS, ETC.:** No amendment of any provision of the this DIP Financing Term Sheet shall be effective unless agreed to in writing by the Borrower and the DIP Lender and, in the case of any material amendment, the Monitor.
- 29. ASSIGNMENT:** The DIP Lender may, with the consent of the Borrower (which consent shall not be required during the existence of any Event of Default hereunder), assign this DIP Financing Term Sheet and its rights and obligations hereunder, in whole or in part, to any Person (subject in all cases to

(i) providing the Monitor with reasonable evidence that such assignee has the financial capacity to fulfill the obligations of such assigning DIP Lender hereunder and (ii) the assignee entering into an agreement with the Borrower, in form and substance reasonably acceptable to the Borrower and the Monitor, to confirm such assignment). Neither this DIP Financing Term Sheet nor any right or obligation hereunder may be assigned by any Obligor. Notwithstanding the foregoing, the DIP Lender shall, in its sole discretion, be permitted to assign this DIP Financing Term Sheet and its rights and obligations hereunder, in whole or in part, to an affiliate or managed fund of the DIP Lender (or any of them), provided that in no event shall the DIP Lender (or any of them) be relieved of its obligations hereunder as a result of such assignment unless such assignee agrees in writing to become party to and become bound hereunder as a DIP Lender.

**30. SEVERABILITY:**

Any provision in this DIP Financing Term Sheet which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

**31. NO THIRD PARTY BENEFICIARY:**

No person, other than the Obligors and the DIP Lender is entitled to rely upon this DIP Financing Term Sheet and the parties expressly agree that this DIP Financing Term Sheet does not confer rights upon any other party.

**32. COUNTERPARTS AND ELECTRONIC SIGNATURES:**

This DIP Financing Term Sheet may be executed in any number of counterparts and by electronic transmission including “pdf”, DocuSign or other electronic format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

**33. NOTICES:**

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the such Person at its address set out on its signature page hereof, provided that any notice to any Guarantor shall be well and sufficiently given if delivered personally or sent to the Borrower at its address set out on its signature page hereof. Any such notice, request or other

communication hereunder shall be concurrently sent to the Monitor.

Any such notice, request or other communication shall be deemed to be given and received when received, unless received after 5:00 Eastern Time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

**34. GOVERNING LAW:**

This DIP Financing Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

*[signature pages follow]*

IN WITNESS HEREOF, the parties hereby execute this DIP Financing Term Sheet as at the date first above mentioned.

**DIP LENDERS:**

**Address:**

345 Park Avenue South  
New York, NY 10010

**Attention:**

Lawrence Atinsky and Jonathan Isler

**Email:**

[latinsky@deerfield.com](mailto:latinsky@deerfield.com) and  
[jisler@deerfield.com](mailto:jisler@deerfield.com)

**With a copy to:**

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

**Attention:**

Sean Zweig, Jesse Mighton and Aiden Nelms

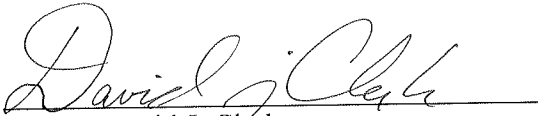
**Email:**

[zweigs@bennettjones.com](mailto:zweigs@bennettjones.com);  
[nelmsa@bennettjones.com](mailto:nelmsa@bennettjones.com)  
[mightonj@bennettjones.com](mailto:mightonj@bennettjones.com); and

**DEERFIELD PRIVATE DESIGN FUND III,  
L.P.**

By: Deerfield Mgmt III, L.P., General Partner

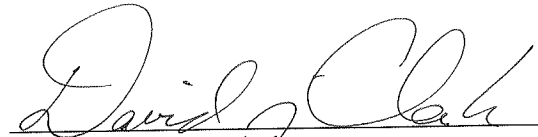
By: J.E. Flynn Capital III, LCC, General Partner

Per:   
Name: David J. Clark  
Title: Authorized Signatory

**DEERFIELD PRIVATE DESIGN FUND IV,  
L.P.**

By: Deerfield Mgmt IV, L.P., General Partner

By: J.E. Flynn Capital IV, LCC, General Partner

Per:   
Name: David J. Clark  
Title: Authorized Signatory



**BORROWER:**

**Address:**

7600 Danbro Cres.  
Mississauga, ON L5N 6L6

**Attention:**

Jan Sahai

**Email:**

[Jsahai@cplltd.com](mailto:Jsahai@cplltd.com)

**With a copy to:**

Goodmans LLP  
333 Bay Street, Suite 3400  
Toronto, Ontario, M5H 2S7

**Attention:**


Chris Armstrong and Dan Dedic

**Email:**

[carmstrong@goodmans.ca](mailto:carmstrong@goodmans.ca); and  
[ddedic@goodmans.ca](mailto:ddedic@goodmans.ca)

**CONTRACT PHARMACEUTICALS  
LIMITED CANADA**

Per:



Name: Jan Sahai


Title: Chief Executive Officer

**GUARANTORS:**

**CONTRACT PHARMACEUTICALS  
LIMITED**

Per:   
Name: Jan Sahai  
Title: Chief Executive Officer

**CPL CANADA HOLDCO LIMITED**

Per:   
Name: Jan Sahai  
Title: Chief Executive Officer

**GLASSHOUSE PHARMACEUTICALS  
LIMITED CANADA**

Per:   
Name: Jan Sahai  
Title: Chief Executive Officer

**GLASSHOUSE PHARMACEUTICALS LLC**

Per:   
Name: Jan Sahai  
Title: Chief Executive Officer

## SCHEDULE A

### DEFINED TERMS

“**Administration Charge**” means an administration charge in an aggregate amount not to exceed (i) 375,000 pursuant to the Initial Order and (ii) \$600,000 pursuant to the Amended Order, which shall rank in priority to the D&O Charge, the KERP Charge, the FA Charge, the Senior Priority Lender Liens and the DIP Lender Charge.

“**Advance**” means the Initial Advance and each Subsequent Advance.

“**Amended Order**” means an amended and restated Initial Order made by the Court at the comeback hearing, which shall be substantially in the form of Schedule D hereto.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law and binding on such Person.

“**Borrower**” has the meaning given thereto in the Recitals.

“**Business Day**” means any day other than a Saturday, Sunday or any other day in which banks in Toronto, Ontario and New York, New York are not open for business.

“**CCAA**” has the meaning given thereto in the Recitals.

“**CCAA Proceedings**” has the meaning given thereto in the Recitals.

“**Collateral**” means all of the Obligors’ now owned or existing or hereafter acquired, created or arising and wherever located, assets and property and their estate, real or personal, tangible or intangible, now owned or hereafter acquired, whether arising before or after the Initial Order, including, without limitation, all permits, contracts, general intangibles, instruments, equipment, accounts, and documents, all goods, inventory and fixtures, all documents, cash, cash equivalents, chattel paper, letters of credit and letter of credit rights, investment property, money, insurance, receivables, receivables records, deposit accounts, collateral support, supporting obligations and instruments, all interests in leaseholds and real properties, all patents, copyrights, trademarks, tradenames and other intellectual property, all equity interests, all books and records relating to the foregoing, all other personal and real property of each Obligor, and all proceeds, products, accessions, rents and profits of or in respect of any of the foregoing.

“**Comeback Motion**” has the meaning given thereto in Section 12(b).

“**Court**” has the meaning given thereto in the Recitals.

“**Court Order**” and “**Court Orders**” have the meanings given thereto in Section 20(f).

“**Criminal Code Interest**” has meaning given thereto in Section 6.

“**Criminal Rate**” has meaning given thereto in Section 6.

“**Designated Jurisdiction**” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“**DIP Budget**” means the weekly financial projections prepared by the Borrower covering the period commencing on the week ending December 15, 2023 and ending on the week ending March 29, 2024, which are initially attached as Schedule B, and which may be amended from time to time in accordance with Section 15.

“**DIP Facility**” has the meaning given thereto in Section 5.

“**DIP Financing Obligations**” has the meaning given thereto in Section 11.

“**DIP Lender**” has the meaning given thereto in Section 3.

“**DIP Lender Charge**” has the meaning given thereto in Section 11(c).

“**D&O Charge**” means a directors and officers liability charge in an amount not to exceed (i) \$1,801,000 pursuant to the Initial Order and (ii) \$2,306,000 pursuant to the Amended Order, which shall rank in priority to the KERP Charge, the FA Charge, the Senior Priority Lender Liens and the DIP Lender Charge, and behind the Administration Charge.

“**EDC**” means Export Development Canada, as lender under the EDC Credit Agreement.

“**EDC Credit Agreement**” means the credit agreement dated as of March 6, 2018 between EDC and the Borrower, as amended from time to time to the date hereof.

“**Event of Default**” has the meaning given thereto in Section 22.

“**FA Charge**” means a charge in favour of SSG pursuant to the Amended Order in respect of the success fee in connection with the completion of a successful refinancing, sale or restructuring transaction which may become properly due and payable under SSG’s engagement letter in connection with the SISF, which shall rank in priority to the Senior Priority Lender Liens and the DIP Lender Charge, and behind the Administration Charge, the D&O Charge and the KERP Charge, and which shall, for certainty, exclude the amount of any work fee or similar amounts secured pursuant to the Administration Charge.

“**Facility Amount**” has the meaning given thereto in Section 5.

“**Filing Date**” means the date of commencement of the CCAA Proceedings.

“**Guarantor**” and “**Guarantors**” has the meaning given thereto in Section 2.

“**Governmental Authority**” means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or

instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

“**Initial Advance**” has the meaning given thereto in Section 5.

“**Initial Advance Conditions**” has the meaning given thereto in Section 11.

“**Initial Advance Conditions**” has the meaning given thereto in Section 11.

“**Initial Order**” means an initial order of the Court pursuant to which the Borrower shall commence the CCAA Proceedings, which shall be substantially in the form of Schedule C hereto.

“**KERP Charge**” means a key employee retention program charge pursuant to the Amended Order in an amount not to exceed \$998,311 which shall rank in priority to the FA Charge, the Senior Priority Lender Liens and the DIP Lender Charge, and behind the Administration Charge and the D&O Charge.

“**Liens**” means all liens, hypothecs, charges, mortgages, trusts, deemed trusts (statutory or otherwise), encumbrances and security interests of every kind and nature whatsoever.

“**Maturity Date**” has the meaning given thereto in Section 14.

“**Monitor**” means KSV Restructuring Inc., as the court-appointed monitor in the CCAA Proceedings pursuant to the Initial Order.

“**Obligors**” means, collectively, the Borrower and the Guarantors and “**Obligor**” means each of them individually.

“**OFAC**” means Office of Foreign Assets Control of the United States Department of the Treasury.

“**Original Currency**” has the meaning given thereto in Section 18.

“**Other Currency**” has the meaning given thereto in Section 18.

“**Permitted Liens**” means (i) the DIP Lender Charge; (ii) any charges created under the Initial Order or other Court Order; (iii) validly perfected Liens existing prior to the date hereof; (iv) inchoate statutory Liens arising after the Filing Date in respect of any accounts payable arising after the Filing Date in the ordinary course of business, subject to the obligation to pay all such amounts as and when due; and (v) the Permitted Priority Liens.

“**Permitted Priority Liens**” means (i) the Administration Charge, (ii) the D&O Charge, (iii) the KERP Charge, (iv) the FA Charge, (v) the Senior Priority Lender Liens, (vi) Liens in favour of secured parties that did not receive notice of the application for the Initial Order, provided that if, upon motion by the Borrower pursuant to the Comeback Motion, the Court enters a further order providing that the DIP Lender Charge shall rank in priority to such secured parties’ Liens, such Liens shall no longer constitute Permitted Priority Liens and (vii) any amounts payable by the Borrower for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of input credits), income tax and workers

compensation claims, in the case of this item (vii) solely to the extent such amounts are given priority by Applicable Law.

“**Permitted Variance**” has the meaning given thereto in Section 22(f).

“**Person**” means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“**Pre-Filing Debt Agreement**” means the facility agreement dated as of December 6, 2018 between Glasshouse Pharmaceuticals Limited Canada, as borrower, Deerfield Private Design Fund IV, L.P., as administrative agent, and the lenders and guarantors party thereto, including any other document or agreement delivered in connection therewith and all amendments, modifications, schedules, and addenda thereto to the date hereof.

“**Pre-Filing Debt and Security Documents**” means, collectively, the Pre-Filing Debt Facility Agreement, the “Security Agreements” and the other “Loan Documents” (each as defined in the Pre-Filing Debt Facility Agreement), including any other document or agreement delivered in connection therewith and all amendments, modifications, schedules, and addenda thereto to the date hereof.

“**RBC**” means Royal Bank of Canada as lender under the RBC Credit Agreement, or any successor thereto.

“**RBC Credit Agreement**” means the facility agreement dated as of November 22, 2017 between the Borrower, RBC, CPL Canada Holdco Limited and Contract Pharmaceuticals Limited, as amended from time to time to the date hereof.

“**Sanctions**” means any sanction administered or enforced by the United States government, including OFAC, the United Nations Security Council, the European Union, Her Majesty’s Treasury (“**HMT**”) or other Governmental Authority or relevant sanction authority.

“**Senior Priority Lender Liens**” means (i) the Liens in favour of RBC granted in connection with the RBC Credit Agreement and (ii) the Liens in favour of EDC granted in connection with the EDC Credit Agreement.

“**SSG**” means SSG Capital Advisors, LLC, as financial advisor to the Obligors.

“**SISP**” means the refinancing, sale and investment solicitation process substantially in the form attached as Schedule E hereto, to be approved by the SISP Order.

“**SISP Milestones**” means the milestones set out in paragraph 7 of the SISP.

“**SISP Order**” means an order of the Court approving the SISP, which shall be substantially in the form of Schedule F hereto.

“**Subsequent Advance**” has the meaning given thereto in Section 5.

**“Subsequent Advance Conditions”** has the meaning given thereto in Section 12.

**“Variance Report”** has the meaning given thereto in Section 15.

**SCHEDULE B**  
**INITIAL DIP BUDGET**

See attached.



Contract Pharmaceuticals Limited  
**Projected Statement of Cash Flows**  
For the Period Ending March 29, 2024  
(Unaudited; C\$000s)

	Note	Week Ending															Total
		22-Dec-23	29-Dec-23	05-Jan-24	12-Jan-24	19-Jan-24	26-Jan-24	02-Feb-24	09-Feb-24	16-Feb-24	23-Feb-24	01-Mar-24	08-Mar-24	15-Mar-24	22-Mar-24	29-Mar-24	
Receipts	1																
Collection of Accounts Receivable	2	1,589	831	1,538	1,511	2,725	1,735	1,259	1,788	1,734	1,230	2,114	757	691	1,119	1,900	22,521
<b>Total Receipts</b>		<b>1,589</b>	<b>831</b>	<b>1,538</b>	<b>1,511</b>	<b>2,725</b>	<b>1,735</b>	<b>1,259</b>	<b>1,788</b>	<b>1,734</b>	<b>1,230</b>	<b>2,114</b>	<b>757</b>	<b>691</b>	<b>1,119</b>	<b>1,900</b>	<b>22,521</b>
Disbursements																	
Production costs	3	944	867	1,037	1,033	1,167	944	837	833	817	894	837	833	817	894	817	13,574
Payroll	4	27	1,010	27	1,010	27	1,010	27	1,010	27	1,010	27	1,010	27	1,010	27	7,283
Capital expense	5	100	-	-	-	200	-	-	-	200	-	-	-	200	-	-	700
Rent	6	-	-	151	-	-	-	151	-	-	-	151	-	-	-	-	452
Other operating expenses	7	87	57	170	49	170	57	194	49	140	230	200	49	140	79	469	2,141
Contingency		50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	750
<b>Total Operating disbursements</b>		<b>1,208</b>	<b>1,984</b>	<b>1,435</b>	<b>2,142</b>	<b>1,614</b>	<b>2,061</b>	<b>1,259</b>	<b>1,942</b>	<b>1,234</b>	<b>2,184</b>	<b>1,265</b>	<b>1,942</b>	<b>1,234</b>	<b>2,033</b>	<b>1,363</b>	<b>24,900</b>
<b>Net Cash Flow before the Undernoted</b>		<b>381</b>	<b>(1,153)</b>	<b>103</b>	<b>(631)</b>	<b>1,111</b>	<b>(326)</b>	<b>(0)</b>	<b>(153)</b>	<b>500</b>	<b>(954)</b>	<b>849</b>	<b>(1,185)</b>	<b>(543)</b>	<b>(914)</b>	<b>536</b>	<b>(2,379)</b>
Professional Fees	8	709	497	327	225	152	260	240	240	185	263	263	225	553	137	2,524	6,799
<b>Net Cash Flow</b>		<b>(328)</b>	<b>(1,650)</b>	<b>(224)</b>	<b>(856)</b>	<b>959</b>	<b>(586)</b>	<b>(240)</b>	<b>(393)</b>	<b>316</b>	<b>(1,217)</b>	<b>586</b>	<b>(1,410)</b>	<b>(1,096)</b>	<b>(1,051)</b>	<b>(1,988)</b>	<b>(9,178)</b>
Opening Cash balance	9	1,347	3,059	1,409	1,185	1,689	2,648	2,063	1,823	1,429	1,745	1,888	2,474	2,425	2,009	1,638	1,347
Net Cash Flow		(328)	(1,650)	(224)	(856)	959	(586)	(240)	(393)	316	(1,217)	586	(1,410)	(1,096)	(1,051)	(1,988)	(9,178)
DIP proceeds	10	2,040	-	-	1,360	-	-	-	-	-	1,360	-	1,360	680	680	680	8,160
<b>Closing cash balance</b>		<b>3,059</b>	<b>1,409</b>	<b>1,185</b>	<b>1,689</b>	<b>2,648</b>	<b>2,063</b>	<b>1,823</b>	<b>1,429</b>	<b>1,745</b>	<b>1,888</b>	<b>2,474</b>	<b>2,425</b>	<b>2,009</b>	<b>1,638</b>	<b>330</b>	<b>330</b>

The above financial projections are based on management's assumptions detailed in Appendix "1-1".  
The note references correspond to the assumption numbers shown in Appendix "1-1".

**Notes to Projected Statement of Cash Flows**

For the Period Ending March 29, 2024

(Unaudited; C\$000s)

---

**Purpose and General Assumptions**

1. The purpose of the projection is to present a forecast of the cash flow of Contract Pharmaceuticals Limited, CPL Canada Holdco Limited, Contract Pharmaceuticals Limited Canada, Glasshouse Pharmaceuticals Limited Canada, and Glasshouse Pharmaceuticals LLC (collectively, the "Applicants") for the period December 15, 2023 to March 29, 2024 (the "Period").

**Hypothetical**

2. Represents projected collections of current and future accounts receivable.

**Most Probable**

3. Includes costs related to the production and manufacturing of pharmaceutical products.
4. Includes payroll and benefits for all of the Applicants' employees.
5. Represents costs incurred for general maintenance and upkeep of production equipment.
6. Represents occupancy costs, including rent, for the Applicants' leased premises in Mississauga, ON.
7. Represents general operating costs, including sales and marketing, software, administrative costs, overhead costs, DIP Facility fees and interest, and other sundry items.
8. Includes the estimated payments to the Monitor, its legal counsel, the Applicants' Canadian and US legal counsel, the Financial Advisor, the DIP Lender's legal counsel, and the DIP Lender's financial advisor.
9. Opening cash reflected as of December 13, 2023.
10. Reflects projected DIP funding to be provided by the DIP Lender, as defined and pursuant to the terms of the DIP Term Sheet, converted at a rate of \$1.36.

**SCHEDULE C**  
**FORM OF INITIAL ORDER**

See attached.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) FRIDAY, THE 15<sup>TH</sup>  
 )  
JUSTICE PENNY ) DAY OF DECEMBER, 2023  
 )

**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 CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED,  
CONTRACT PHARMACEUTICALS LIMITED CANADA,  
GLASSHOUSE PHARMACEUTICALS LIMITED CANADA,  
AND GLASSHOUSE PHARMACEUTICALS LLC**

(the “**Applicants**”)

**INITIAL ORDER**

**THIS APPLICATION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), for an Initial Order was heard this day by videoconference via zoom.

**ON READING** the affidavit of Jan Sahai sworn December 14, 2023, and the Exhibits thereto (the “**Sahai Affidavit**”), and the pre-filing report of the proposed monitor, KSV Restructuring Inc. (“**KSV**”) dated December 14, 2023, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for KSV, counsel for Deerfield Private Design Fund IV, L.P. and Deerfield Private Design Fund III, L.P., counsel for Royal Bank of Canada (“**RBC**”), and counsel for Export Development Canada (“**EDC**”), and the other parties listed on the counsel slip, and on reading the consent of KSV to act as the monitor (in such capacity, the “**Monitor**”),

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Sahai Affidavit.

## **APPLICATION**

3. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

## **POSSESSION OF PROPERTY AND OPERATIONS**

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and the Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants:
  - (a) shall be entitled to continue to utilize the central cash management system currently in place as described in the Sahai Affidavit (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall: (i) not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or

otherwise dealt with in the Cash Management System; (ii) be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System; and (iii) be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement (a “**Plan**”) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System; and

- (b) shall be entitled to continue to use the corporate credit cards in place with American Express and shall make full repayment of all amounts outstanding thereunder, including with respect to any pre-filing charges.

6. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, reimbursable expenses and director fees and expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) all charge-backs and rebates due and owing or relating to their customers in the normal course of the applicable Applicant’s business;
- (c) with the prior written consent of the Monitor and the DIP Lender (as defined below), amounts owing for goods and services actually supplied to any of the Applicants, prior to the date of this Order; and
- (d) the fees and disbursements of any Assistants retained or employed by any of the Applicants at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to any of the Applicants on or following the date of this Order.

8. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any of the Applicants in connection with the sale of goods and services by any of the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by any of the Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the applicable Applicant shall pay, without duplication, all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease, but for greater certainty, excluding accelerated rent or penalties, fees or other charges

arising as a result of the insolvency of the Applicants or the making of this Order) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears) or, with the prior written consent of the Monitor and the DIP Lender, at such other time intervals and dates as may be agreed to between the applicable Applicant and the landlord, in the amounts set out in the applicable lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any of the Applicants to any of their creditors as of this date; (ii) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (iii) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

11. **THIS COURT ORDERS** that each Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding CA\$250,000 in any one transaction or CA\$1,000,000 in the aggregate, all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

## **NO PROCEEDINGS AGAINST THE APPLICANTS, THEIR BUSINESS OR THEIR PROPERTY**

12. **THIS COURT ORDERS** that until and including December 22, 2023, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”, and collectively, “**Proceedings**”) shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or any of their respective employees, advisors (including counsel) or other representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Applicants and the



Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants or their respective employees, advisors (including counsel) or other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

13. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of any of the Applicants or the Monitor, or any of their respective employees, advisors (including counsel) or other representatives acting in such capacities, or affecting the Business or the Property are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower any of the Applicants to carry on any business which they are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH RIGHTS**

14. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the prior written consent of the Applicants and the Monitor, or leave of this Court.

### **CONTINUATION OF SERVICES**

15. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, cash management services, payroll services, benefit services, contract manufacturing services, accounting services, insurance, transportation services, warehouse and logistics services, utility or other services to the Business or any of the Applicants,

are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with the normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and each applicable Applicant and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

16. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

17. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by Subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants (the “**Directors and Officers**”) with respect to any claim against the Directors or Officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the Directors and Officers are alleged under any law to be liable in their capacity as the Directors and Officers for the payment or performance of such obligations, until a Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

### **DIRECTORS’ AND OFFICERS’ INDEMNIFICATION AND CHARGE**

18. **THIS COURT ORDERS** that the Applicants shall indemnify the Directors and Officers against obligations and liabilities that they may incur as a director or officer of any of the Applicants after the commencement of the within proceedings, except to the extent that, with

respect to any Director or Officer, the obligation or liability was incurred as a result of the Director's or Officer's gross negligence or wilful misconduct (the "**D&O Indemnity**").

19. **THIS COURT ORDERS** that the Directors and Officers shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of CA\$1,801,000, unless permitted by further Order of this Court, as security for the D&O Indemnity provided in paragraph 18 of this Order. The Directors' Charge shall have the priority set out in paragraphs 36 and 38 herein.

20. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary: (i) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (ii) the Directors and Officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 18 of this Order.

#### **APPOINTMENT OF MONITOR**

21. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

22. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender, its counsel and its financial advisor of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis as agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender, its counsel and its financial advisor on a periodic basis as agreed with the DIP Lender;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

23. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.

24. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario

*Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

25. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor, its directors, officers, employees, counsel and other representatives acting in such capacities shall incur no liability or obligation as a result of the Monitor’s appointment or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicants and the Financial Advisor (solely as it relates to its monthly work fee and disbursements) shall be paid their reasonable fees and disbursements, whether incurred prior to, on or subsequent to the date of this Order, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicants and the Financial Advisor (solely as it relates to its monthly work fee and disbursements) on such terms as the parties may agree and, in addition, the Monitor, counsel to the Monitor and counsel to the Applicants are authorized to maintain their respective retainers, if any, provided by the

Applicants prior to the commencement of these proceedings, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicants, and the Financial Advisor shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of CA\$375,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such advisors, both before and after the making of this Order in respect of these proceedings; provided however that any Transaction Fee earned by the Financial Advisor shall not be secured by the Administration Charge. The Administration Charge shall have the priority set out in paragraphs 36 and 38 hereof.

#### **DIP FINANCING**

30. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow and provide guarantees, as the case may be, under a credit facility from Deerfield Private Design Fund IV, L.P. and Deerfield Private Design Fund III, L.P. (in such capacity, the “**DIP Lender**”) in order to finance the Applicants’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of US\$1,500,000 unless permitted by further Order of this Court.

31. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicants and the DIP Lender dated as of December [14], 2023 in the form attached to the Sahai Affidavit with such minor modifications or amendments that may be agreed to by the parties and consented to by the Monitor (the “**DIP Term Sheet**”).

32. **THIS COURT ORDERS** that each of the Applicants is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security

documents, guarantees and other definitive documents (collectively, including the DIP Term Sheet, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

33. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which charge shall not exceed an aggregate amount of US\$1,500,000 plus interest, fees and expenses, unless permitted by further Order of the Court, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 36 and 38 hereof.

34. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an Event of Default (as defined in the DIP Term Sheet) under the Definitive Documents, the DIP Lender, subject to the notice requirements under the Definitive Documents, may cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Definitive Documents or the DIP Lender’s Charge, make demand, accelerate payment and give other notices, or, upon four (4) business days notice to the Applicants and the Monitor, exercise any and all other rights and remedies against the Applicants or the Property under or pursuant to the Definitive Documents and the DIP Lender’s Charge, including, without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against any of the Applicants and for the appointment of a trustee in bankruptcy of any of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of any of the Applicants or the Property.

35. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any Plan filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”), with respect to any advances made under the Definitive Documents.

### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

36. **THIS COURT ORDERS** that the priorities of the Directors’ Charge, the Administration Charge, and the DIP Lender’s Charge (collectively, the “**Charges**”), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of CA\$375,000);

Second – Directors’ Charge (to the maximum amount of CA\$1,801,000); and

Third – DIP Lender’s Charge (to the maximum amount of US\$1,500,000, plus interest, fees and expenses).

37. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

38. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person notwithstanding the order of perfection or attachment; provided that (i) the Charges shall rank behind Encumbrances in favour of any Person who is a “secured creditor” as defined in the CCAA who has not been served with the Notice of Application for this Order and (ii) the DIP Lender’s Charge shall rank behind the Encumbrances on the Property in favour of RBC and EDC. The Applicants and the beneficiaries



of the Charges shall be entitled to seek priority of the Charges ahead of any Encumbrances over which the Charges may not have obtained priority pursuant to this Order on a subsequent motion including, without limitation, at the Comeback Hearing (as defined below), on notice to those Persons likely to be affected thereby; provided that the DIP Lender's Charge shall continue to rank behind the Encumbrances on the Property in favour of RBC and EDC.

39. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court on notice to parties in interest, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the applicable Charges, or further Order of this Court.

40. **THIS COURT ORDERS** that the Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and the DIP Lender shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which any of them is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

- (c) the payments made by the Applicants pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

41. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property lease.

### **FOREIGN PROCEEDINGS**

42. **THIS COURT ORDERS** that Contract Pharmaceuticals Limited is hereby authorized and empowered, but not required, to act as the foreign representative (in such capacity, the "**Foreign Representative**") in respect of the within proceedings for the purpose of having these proceedings recognized and approved in a jurisdiction outside of Canada.

43. **THIS COURT ORDERS** that the Foreign Representative is hereby authorized to apply for foreign recognition and approval of these proceedings, to the extent considered necessary by the Applicants, in any jurisdiction outside of Canada, including in the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 .

### **SERVICE AND NOTICE**

44. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the Globe and Mail, a notice containing the information prescribed under the CCAA; and (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than CA\$1,000, and (C) 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 Subsection 23(1)(a) of the CCAA and the regulations made thereunder.

45. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service->

commercial/) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the “**Rules of Civil Procedure**”). Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/experience/case/cpl>.

46. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide or the CCAA and the regulations thereunder is not practicable, the Applicants, the Monitor and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission or electronic message to the Applicants’ creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown in the books and records of the Applicants and that any such service or distribution shall be deemed to be received on the earlier of (i) the date of forwarding thereof, if sent by electronic message on or prior to 5:00 p.m. (Toronto Time) (or the next business day following the date of forwarding thereof if sent on a non business day) (ii) the next business day following the date of forwarding thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. (Toronto Time); or (iii) on the third business day following the date of forwarding thereof, if sent by ordinary mail.

47. **THIS COURT ORDERS** that the Applicants, the Monitor and each of their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies thereof by electronic message (including by e-mail) to the Applicants’ creditors or other interested parties and their advisors, as applicable. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

## **COMEBACK HEARING**

48. **THIS COURT ORDERS** that the comeback motion in these CCAA proceedings shall be heard on December [22], 2023 (the “**Comeback Hearing**”).

## **GENERAL**

49. **THIS COURT ORDERS** that any interested party (including the Applicants) may apply to this Court to vary or amend this Order at the Comeback Hearing on not less than three (3) calendar days’ notice to the service list in these proceedings and any other Persons likely to be affected by the Order sought; provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 36 and 38 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

50. **THIS COURT ORDERS** that, notwithstanding paragraph 49 of this Order, the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

51. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

52. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

53. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative

body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

54. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order without the need for entry or filing.

---

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

Court File No. \_\_\_\_\_

**AND IN THE MATTER OF AND IN THE MATTER OF A PLAN OF COMPROMISE  
OR ARRANGEMENT OF CONTRACT PHARMACEUTICALS LIMITED, CPL  
CANADA HOLDCO LIMITED, CONTRACT PHARMACEUTICALS LIMITED  
CANADA, GLASSHOUSE PHARMACEUTICALS LIMITED CANADA, AND  
GLASSHOUSE PHARMACEUTICALS LLC**

Applicants

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
Proceeding commenced at Toronto

---

**INITIAL ORDER**

---

**GOODMANS LLP**  
Barristers & Solicitors  
333 Bay Street, Suite 3400  
Toronto, Canada M5H 2S7

**Christopher Armstrong** (LSO# 55148B)  
carmstrong@goodmans.ca

**Erik Axell** (LSO# 853450)  
eaxell@goodmans.ca

**Jennifer Linde** (LSO# 86996A)  
jlinde@goodmans.ca

Tel: (416) 979-2211  
Fax: (416) 979-1234

Lawyers for the Applicants

**SCHEDULE D**

**FORM OF AMENDED ORDER**

See attached.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) [FRIDAY], THE [22]<sup>ND</sup>  
 )  
JUSTICE PENNY ) DAY OF DECEMBER, 2023  
 )

**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 CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED,  
CONTRACT PHARMACEUTICALS LIMITED CANADA,  
GLASSHOUSE PHARMACEUTICALS LIMITED CANADA,  
AND GLASSHOUSE PHARMACEUTICALS LLC**

(the “Applicants”)

**AMENDED AND RESTATED INITIAL ORDER  
(Amending Initial Order Dated December 15, 2023)**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”), for an Amended and Restated Initial Order was heard this day by videoconference via zoom.

**ON READING** the affidavit of Jan Sahai sworn December 14, 2023, and the Exhibits thereto (the “**Sahai Affidavit**”), the Pre-Filing Report of KSV Restructuring Inc. (“**KSV**”), in its capacity as the proposed monitor of the Applicants dated December 14, 2023, and the first report of KSV as the Court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”) dated December [●], 2023 (the “**First Report**”), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Deerfield Private Design Fund IV, L.P. and Deerfield Private Design Fund III, L.P., counsel for Royal Bank of



Canada (“**RBC**”), and counsel for Export Development Canada (“**EDC**”), and the other parties listed on the counsel slip, and on reading the consent of KSV to act as the Monitor,

### **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Sahai Affidavit.
3. **THIS COURT ORDERS** that, for the avoidance of doubt, references in this Order to the “date of this Order”, “the date hereof” or similar phrases refer to the date the Initial Order of this Court was granted in the within proceedings, being December 15, 2023.

### **APPLICATION**

4. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

### **PLAN OF ARRANGEMENT**

5. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

### **POSSESSION OF PROPERTY AND OPERATIONS**

6. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and the Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively

“**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

7. **THIS COURT ORDERS** that the Applicants:

- (a) shall be entitled to continue to utilize the central cash management system currently in place as described in the Sahai Affidavit or, with the prior written consent of the Monitor and the DIP Lender (as defined below), replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall: (i) not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System; (ii) be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System; and (iii) be, in its capacity as provider of the Cash Management System, an unaffected creditor under a Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System; and
- (b) shall be entitled to continue to use the corporate credit cards in place with American Express and shall make full repayment of all amounts outstanding thereunder, including with respect to any pre-filing charges.

8. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, reimbursable expenses and director fees and expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

- (b) all charge-backs and rebates due and owing or relating to their customers in the normal course of the applicable Applicant's business;
- (c) with the prior written consent of the Monitor and the DIP Lender, amounts owing for goods and services actually supplied to any of the Applicants, prior to the date of this Order; and
- (d) the fees and disbursements of any Assistants retained or employed by any of the Applicants at their standard rates and charges.

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to any of the Applicants on or following the date of this Order.

10. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any of the Applicants in connection with the sale of goods and services by any of the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or

collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by any of the Applicants.

11. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the applicable Applicant shall pay, without duplication, all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease, but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Applicants or the making of this Order) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears) or, with the prior written consent of the Monitor and the DIP Lender, at such other time intervals and dates as may be agreed to between the applicable Applicant and the landlord, in the amounts set out in the applicable lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

12. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any of the Applicants to any of their creditors as of this date; (ii) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (iii) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

13. **THIS COURT ORDERS** that each Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding CA\$250,000 in any one transaction or CA\$1,000,000 in the aggregate;
- (b) disclaim such of its arrangements or agreements of any nature whatsoever with whomever, whether oral or written, as such Applicant deems appropriate, in accordance with Section 32 of the CCAA;
- (c) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

14. **THIS COURT ORDERS** that the applicable Applicants shall provide each of the relevant landlords with notice of the applicable Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the applicable Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the applicable Applicant, or by further Order of this Court upon application by the applicable Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the applicable Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the

disclaimer of the lease shall be without prejudice to the applicable Applicant's claim to the fixtures in dispute.

15. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANTS, THEIR BUSINESS OR THEIR PROPERTY**

16. **THIS COURT ORDERS** that until and including [March 22], 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or any of their respective employees, advisors (including counsel) or other representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants or their respective employees, advisors (including counsel) or other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

17. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or any of their respective employees, advisors

(including counsel) or other representatives acting in such capacities, or affecting the Business or the Property are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower any of the Applicants to carry on any business which they are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH RIGHTS**

18. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the prior written consent of the Applicants and the Monitor, or leave of this Court.

### **CONTINUATION OF SERVICES**

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, cash management services, payroll services, benefit services, contract manufacturing services, accounting services, insurance, transportation services, warehouse and logistics services, utility or other services to the Business or any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with the normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and each applicable Applicant and the Monitor, or as may be ordered by this Court.

## **NON-DEROGATION OF RIGHTS**

20. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

## **NO PRE-FILING VS POST-FILING SET-OFF**

21. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (i) are or may become due to an Applicant in respect of obligations arising prior to the date hereof with any amounts that are or may become due from an Applicant in respect of obligations arising on or after the date of this Order; or (ii) are or may become due from an Applicant in respect of obligations arising prior to the date hereof with any amounts that are or may become due to an Applicant in respect of obligations arising on or after the date of this Order, each without the consent of the applicable Applicant and the Monitor or further Order of this Court.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

22. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by Subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants (the “**Directors and Officers**”) with respect to any claim against the Directors or Officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the Directors and Officers are alleged under any law to be liable in their capacity as the Directors and Officers for the payment or performance of such obligations, until a Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

## **DIRECTORS’ AND OFFICERS’ INDEMNIFICATION AND CHARGE**

23. **THIS COURT ORDERS** that the Applicants shall indemnify the Directors and Officers against obligations and liabilities that they may incur as a director or officer of any of the Applicants after the commencement of the within proceedings, except to the extent that, with



respect to any Director or Officer, the obligation or liability was incurred as a result of the Director's or Officer's gross negligence or wilful misconduct (the "**D&O Indemnity**").

24. **THIS COURT ORDERS** that the Directors and Officers shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of CA\$2,306,000, unless permitted by further Order of this Court, as security for the D&O Indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 45 and 47 herein.

25. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary: (i) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (ii) the Directors and Officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

#### **APPOINTMENT OF MONITOR**

26. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender, its counsel and its financial advisor of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis as agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender, its counsel and its financial advisor on a periodic basis as agreed with the DIP Lender;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

28. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.

29. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a

pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

31. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor, its directors, officers, employees, counsel and other representatives acting in such capacities shall incur no liability or obligation as a result of the Monitor’s appointment or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicants and the Financial Advisor (solely as it relates to its monthly work fee and disbursements) shall be paid their reasonable fees and disbursements, whether incurred prior to, on or subsequent to the date of this Order, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and

directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicants and the Financial Advisor (solely as it relates to its monthly work fee and disbursements) on such terms as the parties may agree and, in addition, the Monitor, counsel to the Monitor and counsel to the Applicants are authorized to maintain their respective retainers, if any, provided by the Applicants prior to the commencement of these proceedings, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

33. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

34. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicants and the Financial Advisor shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of CA\$600,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such advisors, both before and after the making of this Order in respect of these proceedings; provided however that any Transaction Fee earned by the Financial Advisor shall not be secured by the Administration Charge. The Administration Charge shall have the priority set out in paragraphs 45 and 47 hereof.

#### **APPROVAL OF FINANCIAL ADVISOR AGREEMENT**

35. **THIS COURT ORDERS** that the Agreement dated as of December 12, 2023, engaging the Financial Advisor and attached as Exhibit “K” to the Sahai Affidavit (the “**Financial Advisor Agreement**”), and the retention of the Financial Advisor under the terms thereof, is hereby ratified and approved and the Applicant is authorized and directed *nunc pro tunc* to make the payments contemplated thereunder when earned and payable in accordance with the terms and conditions of the Financial Advisor Agreement.

36. **THIS COURT ORDERS** that the Financial Advisor shall be entitled to the benefit of and is hereby granted a charge (the “**Financial Advisor Charge**”) on the Property as security solely for the Transaction Fee earned and payable pursuant to the terms of the Financial Advisor

Agreement. The Financial Advisor Charge shall have the priority set out in paragraphs 45 and 47 hereof.

#### **KEY EMPLOYEE RETENTION PLAN**

37. **THIS COURT ORDERS** that the key employee retention plan (the “**KERP**”), as described in the Sahai Affidavit, is hereby authorized and approved, and the Applicants are authorized to make the payments contemplated under the KERP in accordance with the terms and conditions of the KERP.

38. **THIS COURT ORDERS** that the key employee beneficiaries under the KERP shall be entitled to the benefit of and are hereby granted a charge (the “**KERP Charge**”) on the Property, which charge shall not exceed an aggregate amount of CA\$998,311, unless permitted by further Order of this Court, to secure any payments to the key employee beneficiaries under the KERP. The KERP Charge shall have the priority set out in paragraphs 45 and 47 hereof.

#### **DIP FINANCING**

39. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow and provide guarantees, as the case may be, under a credit facility from Deerfield Private Design Fund IV, L.P. and Deerfield Private Design Fund III, L.P. (in such capacity, the “**DIP Lender**”) in order to finance the Applicants’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of US\$6,000,000 unless permitted by further Order of this Court.

40. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicants and the DIP Lender dated as of December [14], 2023 in the form attached to the Sahai Affidavit with such minor modifications or amendments that may be agreed to by the parties and consented to by the Monitor (the “**DIP Term Sheet**”).

41. **THIS COURT ORDERS** that each of the Applicants is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, including the DIP Term

Sheet, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

42. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which charge shall not exceed an aggregate amount of US\$6,000,000 plus interest, fees and expenses, unless permitted by further Order of the Court, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 45 and 47 hereof.

43. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an Event of Default (as defined in the DIP Term Sheet) under the Definitive Documents, the DIP Lender, subject to the notice requirements under the Definitive Documents, may cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Definitive Documents or the DIP Lender’s Charge, make demand, accelerate payment and give other notices, or, upon four (4) business days notice to the Applicants and the Monitor, exercise any and all other rights and remedies against the Applicants or the Property under or pursuant to the Definitive Documents and the DIP Lender’s Charge, including, without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against any of the Applicants and for the appointment of a trustee in bankruptcy of any of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of any of the Applicants or the Property.

44. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any Plan filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”), with respect to any advances made under the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

45. **THIS COURT ORDERS** that the priorities of the Directors’ Charge, the Administration Charge, the KERP Charge, the Financial Advisor Charge, and the DIP Lender’s Charge (collectively, the “**Charges**”), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of CA\$600,000);

Second – Directors’ Charge (to the maximum amount of CA\$2,306,000);

Third – KERP Charge (to the maximum amount of CA\$998,311);

Fourth – Financial Advisor Charge; and

Fifth – DIP Lender’s Charge (to the maximum amount of US\$6,000,000, plus interest, fees and expenses).

46. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

47. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person notwithstanding the order of

perfection or attachment; provided that the DIP Lender's Charge shall rank behind the Encumbrances on the Property in favour of RBC and EDC.

48. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court on notice to parties in interest, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the applicable Charges, or further Order of this Court.

49. **THIS COURT ORDERS** that the Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and the DIP Lender shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which any of them is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent



conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

50. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property lease.

#### **FOREIGN PROCEEDINGS**

51. **THIS COURT ORDERS** that Contract Pharmaceuticals Limited is hereby authorized and empowered, but not required, to act as the foreign representative (in such capacity, the "**Foreign Representative**") in respect of the within proceedings for the purpose of having these proceedings recognized and approved in a jurisdiction outside of Canada.

52. **THIS COURT ORDERS** that the Foreign Representative is hereby authorized to apply for foreign recognition and approval of these proceedings, to the extent considered necessary by the Applicants, in any jurisdiction outside of Canada, including in the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 .

#### **SERVICE AND NOTICE**

53. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the Globe and Mail, a notice containing the information prescribed under the CCAA; and (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than CA\$1,000, and (C) 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 Subsection 23(1)(a) of the CCAA and the regulations made thereunder.

54. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*, R.R.O.

1990, Reg. 194, as amended (the “**Rules of Civil Procedure**”). Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/experience/case/cpl>.

55. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide or the CCAA and the regulations thereunder is not practicable, the Applicants, the Monitor and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission or electronic message to the Applicants’ creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown in the books and records of the Applicants and that any such service or distribution shall be deemed to be received on the earlier of (i) the date of forwarding thereof, if sent by electronic message on or prior to 5:00 p.m. (Toronto Time) (or the next business day following the date of forwarding thereof if sent on a non business day) (ii) the next business day following the date of forwarding thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. (Toronto Time); or (iii) on the third business day following the date of forwarding thereof, if sent by ordinary mail.

56. **THIS COURT ORDERS** that the Applicants, the Monitor and each of their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies thereof by electronic message (including by e-mail) to the Applicants’ creditors or other interested parties and their advisors, as applicable. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

57. **THIS COURT ORDERS** that any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further order of this Court, provide the service list in these proceedings with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the

grounds for such objection by no later than 5:00 p.m. (Toronto Time) on the date that is two (2) days prior to the date such motion is returnable (the “**Objection Deadline**”). The Monitor shall have the ability to extend the Objection Deadline after consultation with the Applicants.

**[SEALING**

58. **THIS COURT ORDERS that the Confidential Appendix to the First Report shall be sealed and kept confidential pending further order of this Court.]**

**GENERAL**

59. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

60. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

61. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

62. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

63. **THIS COURT ORDERS** that the Initial Order of this Court dated December 15, 2023 is hereby amended and restated pursuant to this Order, and this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order without the need for entry or filing.

---

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

Court File No. \_\_\_\_\_

**AND IN THE MATTER OF AND IN THE MATTER OF A PLAN OF COMPROMISE  
OR ARRANGEMENT OF CONTRACT PHARMACEUTICALS LIMITED, CPL  
CANADA HOLDCO LIMITED, CONTRACT PHARMACEUTICALS LIMITED  
CANADA, GLASSHOUSE PHARMACEUTICALS LIMITED CANADA, AND  
GLASSHOUSE PHARMACEUTICALS LLC**

Applicants

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
Proceeding commenced at Toronto

---

**AMENDED AND RESTATED INITIAL ORDER**

---

**GOODMANS LLP**  
Barristers & Solicitors  
333 Bay Street, Suite 3400  
Toronto, Canada M5H 2S7

**Christopher Armstrong** (LSO# 55148B)  
carmstrong@goodmans.ca

**Erik Axell** (LSO# 853450)  
eaxell@goodmans.ca

**Jennifer Linde** (LSO# 86996A)  
jlinde@goodmans.ca

Tel: (416) 979-2211  
Fax: (416) 979-1234

Lawyers for the Applicants

**SCHEDULE E**

**SISP**

See attached.

# Sale and Investment Solicitation Process for Contract Pharmaceuticals Limited

---

1. On December 15, 2023, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Initial Order**”), among other things: (i) granting Contract Pharmaceuticals Limited, CPL Canada Holdco Limited, Contract Pharmaceuticals Limited Canada, Glasshouse Pharmaceuticals Limited Canada (“**Glasshouse Canada**”), and Glasshouse Pharmaceuticals LLC (collectively, the “**Applicants**”) relief pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”); and (ii) approving the Applicants’ ability to borrow under an interim debtor-in-possession financing facility pursuant to a DIP Financing Term Sheet dated December [14], 2023 (the “**DIP Agreement**”) with Deerfield Private Design Fund IV, L.P. (“**DPDF IV**”), as agent for itself and Deerfield Private Design Fund III, L.P. (together in such capacity, the “**DIP Lender**”) providing borrowings of up to US\$6,000,000 (the “**DIP**”).
2. On December [22], 2023, the Court granted: (i) an order amending and restating the Initial Order (the “**ARIO**”); and (ii) an order (the “**SISP Approval Order**”) that, among other things, authorized the Applicants to implement a sale and investment solicitation process (“**SISP**”) in accordance with the terms hereof. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the ARIO or the SISP Approval Order, as applicable. Copies of the ARIO and the SISP Approval Order can be found at the following URL: <https://www.ksvadvisory.com/experience/case/cpl> (the “**Monitor’s Website**”).
3. This SISP sets out the manner in which: (a) binding bids for a refinancing, sale or other strategic investment or transaction involving the business, assets and/or equity of the Applicants (the “**Opportunity**”), will be solicited from interested parties; (b) any such bids received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.
4. The SISP shall be conducted by the Applicants with the assistance of SSG Capital Advisors, LLC (in such capacity, the “**Financial Advisor**”) under the oversight of KSV Restructuring Inc. in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”).
5. Parties who wish to have their bids considered must participate in the SISP.
6. The Applicants, with the assistance of the Financial Advisor and under the oversight of the Monitor, will:
  - (a) disseminate marketing materials and a process letter (which letter shall, among other things, direct recipients to the Monitor’s Website for a copy of this SISP) to potentially interested parties identified by the Applicants, with the assistance of the

Financial Advisor and in consultation with the Monitor and the DIP Lender, or any other interested party who contacts the Applicants, the Financial Advisor or the Monitor;

- (b) solicit interest from interested parties with a view to such parties entering into non-disclosure agreements (each an “**NDA**”) (parties shall only obtain access to the virtual data room (the “**VDR**”) and be permitted to participate in the SISP if they execute an NDA, in form and substance satisfactory to the Applicants; provided that those parties that have already executed an NDA with the Applicants shall not be required to execute a further NDA provided that such prior NDA has not expired or will not expire during the SISP);
  - (c) provide interested parties who have executed an NDA with: (i) a confidential information memorandum in respect of the Opportunity; and (ii) access to the VDR containing diligence information in respect of the Opportunity and such other diligence opportunities as the Applicants, with the assistance of the Financial Advisor and in consultation with the Monitor, consider advisable;
  - (d) request that interested parties submit a non-binding letter of intent (“**LOI**”) that meets the requirements set forth in Section 8 below by the LOI Deadline (as defined below); and
  - (e) request that such parties submit a binding offer that meets at least the requirements set forth in Section 9 below, as determined by the Applicants, in consultation with the Monitor (each a “**Qualified Bid**”), by the Qualified Bid Deadline (as defined below).
7. The SISP shall be conducted subject to the terms hereof and the following key milestones, which milestones may be extended by the Applicant, in consultation with the Monitor (provided that in the case of any extension by more than three days for any individual milestone, or seven days in the aggregate, or for any extension of the Outside Date, the consent of the DIP Lender shall also be required):
- (a) the Court issues the SISP Approval Order approving the SISP – by no later than December 22, 2023;
  - (b) the Applicants, with the assistance of the Financial Advisor, commence the solicitation process by no later than January 8, 2024, it being understood that the Applicants and the Financial Advisor, in consultation with the Monitor, shall be at liberty to provide marketing materials and commence discussions with interested parties prior to such date as they consider appropriate;
  - (c) deadline to submit a non-binding LOI – by no later than 2:00 p.m. (Toronto time) on February 8, 2024 (the “**LOI Deadline**”);
  - (d) deadline to submit a Qualified Bid – by no later than 2:00 p.m. (Toronto time) on February 29, 2024 (the “**Qualified Bid Deadline**”);



- (e) deadline to select a Qualified Bid as the successful bid (the “**Successful Bid**”) – by no later than 2:00 p.m. (Toronto time) on March 12, 2024;
  - (f) Approval Order (as defined below) hearing – by no later than March 22, 2024, subject to Court availability; and
  - (g) closing of the Successful Bid – as soon thereafter as possible and, in any event, by no later than April 30, 2024 (the “**Outside Date**”).
8. Any interested party who wishes to submit an LOI in the SISP must submit an LOI that complies with the following criteria (it being understood that the Applicants, in consultation with the Monitor, may waive strict compliance with any one or more of the requirements specified below):
- (a) it sets forth the identity of the interested party, including its contact information, full disclosure of its direct and indirect principals and equity holders, and information as to the interested party’s financial wherewithal to complete a transaction pursuant to the SISP;
  - (b) it sets forth the principal terms of the proposed transaction, including: (i) the nature of the proposed transaction (e.g. refinancing, sale, investment, etc.); (ii) the purchase price or other consideration offered in connection with the transaction, including material assumed liabilities; (iii) a description of any conditions or approvals required and any additional due diligence required for the interested party to make a final binding bid; (iv) all conditions to closing that the interested party may wish to impose on the closing of the transaction; (v) proposed treatment of the Applicants’ employees; (vi) any other terms or conditions that the interested party believes are material to the transaction; and (vii) any other information as may be reasonably requested by the Applicants, in consultation with the Monitor; and
  - (c) it is received by the Applicants and the Monitor by no later than the LOI Deadline at the email addresses specified on Schedule “A” hereto.
9. In order to constitute a Qualified Bid, a bid must comply with the following:
- (a) it provides for consideration, payable in full on closing of the Transaction (the “**Consideration Value**”), and provides a detailed sources schedule that identifies, with specificity, the composition of the Consideration Value and any assumptions that could reduce the net consideration payable including details of any material liabilities that are being assumed or being excluded;
  - (b) as part of the Consideration Value, it provides cash consideration sufficient to pay on closing: (i) any obligations in connection with the charges granted by the Court in the Applicants’ CCAA proceedings and any obligations in priority thereto; and (ii) the amount necessary to fund a wind-up of the Applicants’ CCAA proceedings and any further proceedings or wind-up costs in respect of the Applicants;
  - (c) it contemplates closing of the Transaction by not later than the Outside Date;

- (d) it contains:
  - (i) duly executed binding Transaction document(s);
  - (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) a redline to the form of any transaction agreement made available by the Applicants in the VDR;
  - (iv) evidence of authorization and approval from the bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s);
  - (v) disclosure of any past or current connections or agreements with the Applicants, any known, potential, prospective bidder participating in the SISF, or any current or former officer, manager, director, member or known current or former equity security holder of any of the Applicants; and
  - (vi) such other information as may be reasonably requested by the Applicants or the Monitor;
- (e) it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until closing of the Successful Bid; provided, that if such bid is not selected as the Successful Bid or as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (such bid, the "**Back-Up Bid**") it shall only remain irrevocable until selection of the Successful Bid;
- (f) it provides that the bid will serve as a 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) it provides written evidence of the bidder's ability to fully fund and consummate the Transaction and satisfy its obligations under the Transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full Consideration Value and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the bidder in connection with the Successful Bid;
- (h) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- (i) it is not conditional upon:
  - (i) approval from the bidder's board of directors (or comparable governing body) or equityholder(s);

- (ii) the outcome of any due diligence by the bidder; or
  - (iii) the bidder obtaining financing;
- (j) it includes an acknowledgment and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid; (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 Applicants, the Financial Advisor, the Monitor and their respective employees, officers, directors, agents, advisors (including legal counsel) and other representatives, regarding the proposed Transaction, 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 and without surviving representations or warranties of any kind, nature, or description by the Applicants, the Financial Advisor, the Monitor or any of their respective employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed Transaction documents; (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 or other controversies arising under or in connection with the SISP or its bid;
- (k) it specifies any regulatory or other third-party approvals the bidder anticipates would be required to complete the Transaction (including the anticipated timing necessary to obtain such approvals);
- (l) it includes full details of the bidder’s intended treatment of the Applicants’ stakeholders under or in connection with the proposed bid, including the Applicants’ secured creditors, unsecured creditors, employees, customers, suppliers, contractual counterparties and equity holders;
- (m) it is accompanied by a cash deposit (the “**Deposit**”) by wire transfer of immediately available funds in an amount equal to at least 10% of the Consideration Value, which Deposit shall be retained by the Monitor in an interest-bearing trust account in accordance with the terms hereof;
- (n) it includes a statement that the bidder will bear its own costs and expenses (including all legal and advisor fees) in connection with the proposed Transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
- (o) it is received by the Applicants, with a copy to the Financial Advisor and the Monitor, by the Qualified Bid Deadline at the email addresses specified on Schedule “A” hereto.

10. The Applicants, in consultation with the Financial Advisor, the Monitor and the DIP Lender, may in their sole discretion waive compliance with any one or more of the requirements specified in Section 9 above and deem a non-compliant bid to be a Qualified Bid, provided that the Applicants shall not waive compliance with the requirements specified in subsections 9(b) or 9(c) without the consent of the DIP Lender.
11. If one or more Qualified Bids has been received by the Applicants on or before the Qualified Bid Deadline, the Applicants, with the assistance of the Financial Advisor and in consultation with the Monitor and the DIP Lender, may:
  - (a) negotiate with one or more of the bidders who submitted a Qualified Bid, including requesting that such bidder improve or otherwise modify the terms of its Qualified Bid (and any such improved or modified Qualified Bid submitted by a bidder shall be deemed to be a Qualified Bid hereunder for all purposes);
  - (b) (x) considering the factors set out in Section 9 of the SISP and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or release of liabilities not otherwise accounted for in (i) above, (iii) the likelihood of the bidder's ability to close a Transaction by not later than the Outside Date (including factors such as: the Transaction structure and execution risk; conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Successful Bid, (v) the benefit to the Applicants and their stakeholders, and (vi) any other factors the directors or officers of Applicants may, consistent with their fiduciary duties, reasonably deem relevant (collectively, the "**Consideration Factors**"); and (y) designate any Qualified Bid received to be the highest or otherwise best bid in the SISP (as may be designated pursuant to this subsection 11(b), the "**Successful Bid**" and the bidder making such bid, the "**Successful Bidder**"); or
  - (c) having regard to the Consideration Factors, designate any Qualified Bid received as the Back-Up Bid.
12. Except to the extent otherwise authorized by the Court, notwithstanding any other provision hereof no bid may be designated as a Successful Bid or Back-up Bid unless (x) it will pay out in cash on closing all principal, interest, fees and costs outstanding under the facility agreement dated as of December 6, 2018, between Glasshouse Canada, as borrower, DPDF IV, as administrative agent, and the lenders and guarantors party thereto (as amended, modified, supplemented and scheduled from time to time, the "**Facility Agreement**") or (y) it is consented to by DPDF IV.
13. Following selection of the Successful Bid, if any, the Applicants, with the assistance of their advisors, and in consultation with the Monitor and the DIP Lender, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones set out in Section 7. Once the necessary definitive

agreement(s) with respect to a Successful Bid have been finalized, as determined by the Applicants in consultation with the Monitor, the Applicant shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the Applicants to complete the transactions contemplated thereby, as applicable, and authorizing the applicable Applicants to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the Transaction contemplated in such Successful Bid (each, an “**Approval Order**”). If the Successful Bid is not consummated in accordance with its terms, the Applicant shall be authorized, but not required, to elect that the Back-Up Bid (if any) is the Successful Bid.

14. The highest Qualified Bid may not necessarily be accepted by the Applicants. The Applicants, with the written consent of the Monitor and the DIP Lender, reserve the right not to accept any Qualified Bid or to otherwise terminate the SISP. The Applicants, with the written consent of the Monitor, reserve the right to deal with one or more bidders to the exclusion of others, to accept a Qualified Bid for different parts of the Opportunity or to accept multiple Qualified Bids and enter into definitive agreements in respect of all such bids.
15. If a Successful Bid is selected and an Approval Order authorizing the consummation of the Transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the Transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid will be returned to the applicable bidder by the Monitor as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to an Approval Order or such earlier date as may be determined by the Applicants, with the consent of the Monitor; provided, the Deposit in respect of any Back-Up Bid shall not be returned to the applicable bidder until the closing of the Successful Bid.
16. The Applicants and the Monitor shall be permitted, in their discretion, to provide general updates and information in respect of the SISP to any creditor (each a “**Creditor**”) and its legal and financial advisors, if applicable, on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Creditor that it will not submit any bid in the SISP; and (b) such Creditor executing a confidentiality agreement or undertaking with the Applicants in form and substance satisfactory to the Applicants and the Monitor. The DIP Lender and DPDF IV have irrevocably confirmed that they will not submit any bid in the SISP (provided that they may credit bid following the termination of the SISP), and as such the Applicant and Monitor shall consult and provide all information (subject to solicitor-client privilege) in respect of the SISP to the DIP Lender and its legal and financial advisors.
17. Any amendments to this SISP may only be made by the Applicants with the written consent of the Monitor and the DIP Lender or by further order of the Court.

18. Any secured lender of the Applicants shall have the right to credit bid their secured debt against the assets secured thereby up to the full face value of such secured lender's claims, including principal, interest and any other obligations owing to such secured lender; provided that any such secured lender shall be required to: (i) pay in full in cash any obligations of the Applicants in priority to its secured debt (including as contemplated by subsection 9(b) hereof); and (ii) pay appropriate consideration for any assets of the Applicants which are contemplated to be acquired and that are not subject to such secured lender's security; provided, however, that the DIP Lender and DPDF IV have confirmed they shall not credit bid unless and until the SISP is terminated.
19. The Applicants, following consultation with the Monitor and the DIP Lender, may at any time prior to the Qualified Bid Deadline bring a motion in the CCAA proceedings for approval of a 'stalking horse' bid in the SISP.
20. The Monitor will oversee the conduct of the SISP and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out herein and in the SISP Approval Order, and is entitled to receive all information in relation to the SISP.

**SCHEDULE “A”: E-MAIL ADDRESSES FOR DELIVERY OF BIDS**

To the counsel for the Applicants:

[carmstrong@goodmans.ca](mailto:carmstrong@goodmans.ca); [eaxell@goodmans.ca](mailto:eaxell@goodmans.ca); [jlinde@goodmans.ca](mailto:jlinde@goodmans.ca)

with a copy to the Financial Advisor:

[mchesen@ssgca.com](mailto:mchesen@ssgca.com); [mkarlson@ssgca.com](mailto:mkarlson@ssgca.com); [alamm@ssgca.com](mailto:alamm@ssgca.com);

and with a copy to the Monitor and legal counsel to the Monitor:

[ngoldstein@ksvadvisory.com](mailto:ngoldstein@ksvadvisory.com); [rjacobs@cassels.com](mailto:rjacobs@cassels.com); [jbellissimo@cassels.com](mailto:jbellissimo@cassels.com).

**SCHEDULE F**  
**FORM OF SISP ORDER**

See attached.



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) [FRIDAY], THE [22]<sup>TH</sup>  
 )  
JUSTICE PENNY ) DAY OF DECEMBER, 2023  
 )

**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 CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED, CONTRACT  
PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE  
PHARMACEUTICALS LIMITED CANADA, AND  
GLASSHOUSE PHARMACEUTICALS LLC**

(the “**Applicants**”)

**SISP APPROVAL ORDER**

**THIS MOTION**, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, *inter alia*, approving the Sale and Investment Solicitation Process in the form attached hereto as Schedule “A” (the “**SISP**”) and certain related relief, was heard this day by videoconference via Zoom.

**ON READING** the affidavit of Jan Sahai sworn December 14, 2023, and the Exhibits thereto, and the pre-filing report dated December 14, 2023, of the proposed monitor, KSV Restructuring Inc. (“**KSV**”), and the first report of KSV as the Court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”) dated December [●], 2023 (the “**First Report**”), and on hearing the submissions of counsel for the Applicants, counsel for KSV, counsel for Deerfield Private Design Fund IV, L.P. and Deerfield Private Design Fund III, L.P., counsel for Royal Bank of Canada, and counsel for Export Development Canada, and the other parties listed on the counsel slip,

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Amended and Restated Initial Order of this Court dated December [22], 2023 (the “**ARIO**”), or the SISP, as the case may be.

## **SALE AND INVESTMENT SOLICITATION PROCESS**

3. **THIS COURT ORDERS** that the SISP is hereby approved and the Applicants and the Monitor are hereby authorized and directed to implement the SISP pursuant to the terms thereof. The Applicants and the Monitor are hereby authorized and directed to do all things reasonably necessary to perform their respective obligations thereunder, subject to prior approval of the Court being obtained before completion of any transaction(s) under the SISP.

4. **THIS COURT ORDERS** that the Applicants, the Monitor, and their respective affiliates, partners, directors, officers, employees, financial advisors, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the SISP, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of any such person (with respect to such person alone), in performing their obligations under the SISP, as determined by this Court in a final order that is not subject to appeal or other review.

5. **THIS COURT ORDERS** that in overseeing the SISP, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the ARIO and any other Order of this Court in the within proceeding.

6. **THIS COURT ORDERS** that the Applicants and the Monitor may from time to time apply to this Court for advice and directions in connection with the SISP or the implementation thereof.

#### **PIPEDA**

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the Applicants, the Monitor and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective SISP participants that are party to a non-disclosure agreement (each, a “**SISP Participant**”) and their respective advisors personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the SISP (a “**Transaction**”). Each SISP Participant to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Applicants, or, in the alternative, destroy all such information and provide confirmation of its destruction if requested by the Applicants or the Monitor. Any bidder with a Successful Bid shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other

personal information to the Applicants, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Applicants or the Monitor.

**GENERAL**

8. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order without the need for entry or filing.

---

**SCHEDULE “A”**

**SALE AND INVESTMENT SOLICITATION PROCESS**

**[ATTACHED]**

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

Court File No. \_\_\_\_\_

**AND IN THE MATTER OF AND IN THE MATTER OF A PLAN OF COMPROMISE  
OR ARRANGEMENT OF CONTRACT PHARMACEUTICALS LIMITED, CPL  
CANADA HOLDCO LIMITED, CONTRACT PHARMACEUTICALS LIMITED  
CANADA, GLASSHOUSE PHARMACEUTICALS LIMITED CANADA, AND  
GLASSHOUSE PHARMACEUTICALS LLC**

Applicants

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
Proceeding commenced at Toronto

---

**SISP APPROVAL ORDER**

---

**GOODMANS LLP**  
Barristers & Solicitors  
333 Bay Street, Suite 3400  
Toronto, Canada M5H 2S7

**Christopher Armstrong** (LSO# 55148B)  
carmstrong@goodmans.ca

**Erik Axell** (LSO# 853450)  
eaxell@goodmans.ca

**Jennifer Linde** (LSO# 86996A)  
jlinde@goodmans.ca

Tel: (416) 979-2211  
Fax: (416) 979-1234

Lawyers for the Applicants

## **Appendix “E”**



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Plant-Based Investment Corp.	1000492681 Ontario Inc.	CCAA	Spergel	May 1, 2023	Ontario	Financial Services	0.5			
Phoena Holdings Inc. et al	Cortland Credit Lending Corporation	CCAA	EY	April 4, 2023	Ontario	Cannabis	3.1	Commitment fee of \$62,000; reasonable fees and expenses of DIP lender	Prime plus 20%	
J.W. Carr Holdings Ltd. et al.	MGB Investments Ltd.	CCAA	EY	April 20, 2023	Alberta	Real Estate	2.70	Closing fee of \$25,000; undrawn amount fee of 2% per annum on undrawn amounts	12%	
GreenSpace Brands Inc.	Pivot Financial I Limited Partnership Inc.	CCAA	PwC	April 6, 2023	Ontario	Food & Accommodation	2.6	Upfront fee of \$10,000, reasonable fees and expenses of the DIP lender	14%	
FlexiTy Solutions Inc. and FlexiTy Holdings Inc.	BHG-BC Holdings Ltd.	NOI	Farber	March 27, 2023	Ontario	Technology	1.10	Commitment fee of 2.5%	15%	
Donmar Properties Ltd. and 10058984 Manitoba Ltd.	Morcourt Properties Ltd.	CCAA	EY	April 18, 2023	Manitoba	Real Estate	0.755		8%	
Rambler Metals and Mining Canada Inc. and 1948565 Ontario Inc.	RMM Debt Limited Partnership	CCAA	Grant Thornton	February 27, 2023	Newfoundland	Mining	US 5	Standby fee of 2.5%	17%	
B.S.K. Group Inc.	4300769 Canada Inc.	NOI	EY	March 3, 2023	Quebec	Retail	0.6			
LoyaltyOne Co. (dba AIR MILES®)	BMO	CCAA	KSV	March 10, 2023	Ontario	Other	US 70	Upfront fee of 2% and standby fee of 1.25%	Currently 14.25%, being the Base Rate (currently 8.25%) plus 6%	
Dynamic Technologies Inc. et al.	Promising Experts Limited	CCAA	FTI	March 9, 2023	Alberta	Professional Services	2.6	Reasonable fees and expenses of the lender	12%	
Polar Window of Canada Ltd. et al.	TD Bank	CCAA	Deloitte	February 10, 2023	Manitoba	Distribution	1.20	35,000 facility fee		
Tehama Inc.	14667913 Canada Inc.	CCAA	Deloitte	January 20, 2023	Ontario	Technology	0.5	Reasonable fees and expenses of the lender	5%	
Groupe Vertendre	Immoфинn SEC	CCAA	Raymond Chabot	January 20, 2023	Quebec	Real Estate	0.25			
Forex Inc. et al.	Les Placements Al-Vi Inc.	CCAA	PwC	February 7, 2023	Quebec	Manufacturing	10.625	Reasonable fees and expenses of the lender	10%	
Acerus Pharmaceuticals Corporation et al.	First Generation Capital Inc.	CCAA	EY	January 26, 2023	Ontario	Healthcare	7.00	Reasonable fees and expenses of the lender	8%	
Laboratoires Bodycad Inc.	Sante BB inc.	CCAA	Raymond Chabot	December 22, 2022	Quebec	Healthcare	2.16	Unclear - materials not available	Unclear - materials not available	
Payslate Inc.	Ayrshire Real Estate Management Inc.	NOI	Grant Thornton	December 5, 2022	British Columbia	Technology	1.20		15%	
DCL Corporation Galarneau	Wells Fargo Bank, National Association, as administrative agent	CCAA	A&M	December 20, 2022	Ontario	Distribution	55.00			SOFN Loan obligations and Letters of Credit: Adjusted Term SOFR or Canadian BA Rate, plus 4.00% Base Rate obligations and Swingline Loans: US Base Rate or Canadian Base Rate, plus 3.00% Unused line fee of 0.50% Additional default interest of 2.0%





**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Groupe Sélection Inc.	National Bank, CIBC, Desjardins, TD, BMO, HSBC, Briva Finance and Fiera	CCAA	PwC	November 21, 2022	Quebec	Food & Accommodation	20.00			
Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd.	CIBC	CCAA	A&M	November 30, 2022	Manitoba	Healthcare	4.00	Reasonable fees and expenses of the lender	Prime plus 5%	
Trichome Financial Corp.	Cortland Credit Lending Corporation	CCAA	KSV	November 7, 2022	Ontario	Cannabis	4.88	Commitment fee of \$97,000	14%	
Digitcom Telecommunications Inc.	TD Bank	NOI	Grant Thornton	October 31, 2022	Alberta	Technology	0.45	Commitment fee of \$25,000; reasonable fees and expenses of the lender	Prime plus 5%	
Springer Aerospace Holdings Limited and 1138969 Ontario Inc.	Hillmount Capital Inc.	CCAA	MNP	November 23, 2022	Ontario	Professional Services	1.50	Commitment fee of \$60,000, Lender Legal Fees, Disbursements and HST – To be determined by Lender's solicitor	The greater of RBC Prime plus 7% or 12 % per annum	
Pure Gold Mining Inc.	Sprott Private Resource Lending II (Collector), LP	CCAA	KSV	October 31, 2022	British Columbia	Mining	10.00		15%	
Cannapie Group Inc. et al.	Cardinal Advisory Limited	CCAA	BDO	November 3, 2022	Ontario	Cannabis	0.50	Commitment fee of \$10,000	12%	
The Flowr Corporation et al.	1000343100 Ontario Inc.	CCAA	EY	October 20, 2022	Ontario	Cannabis	2.00	Commitment fee of \$40,000	Prime plus 12%	
Xebec Adsorption Inc. et al.	National Bank of Canada	CCAA	Deloitte	September 29, 2022	Quebec	Oil and Gas	3.60			
BR Capital	2443970 Alberta Inc.	NOI	KPMG	September 15, 2022	Alberta	Technology	0.43		9%	
i55 Communications Inc.	Phoenix Contact Venture Funds	NOI	Grant Thornton	August 5, 2022	Ontario	Technology	USD 1.1	Commitment fee of USD \$22,000, representing 2% of the total maximum amount available under the DIP Facility	14%	
SugarBud Craft Growers Crop. et al.	Connect First Credit Union Ltd.	NOI	A&M	September 26, 2022	Alberta	Cannabis	2.00	Commitment fee of 2%	12%	
Superette Inc. et al.	SNDL Inc.	CCAA	EY	August 30, 2022	Ontario	Cannabis	1.37		15%	
iSPAN Systems Ltd.	Paradigm Focus Product Development Inc., Walters Partners Inc., and Leder Investments Ltd.	NOI	Fuller Landau	August 11, 2022	Ontario	Manufacturing	1.50		3%	
Speakeasy Cannabis Club Ltd.	Travelers Capital Corp.	CCAA	Crowe MacKay	July 27, 2022	British Columbia	Cannabis	1.00	Commitment fee of 4.25%; standby fee of 2.5%; break fee of 5%	RBC prime rate (currently 4.7%) plus 725 basis points (currently 11.95%)	
North American Lamb Company et al.	BNS and/or FCC	NOI	EY	August 5, 2022	Alberta	Agriculture	1.80			
i55 Communications Inc.	Phoenix Contact Venture Funds I GmbH	NOI	Grant Thornton	August 5, 2022	Ontario	Technology	USD 1.1	Commitment fee of 2%	14%	
Petrolama Energy Inc.	884304 Alberta Ltd.	NOI	A&M	July 27, 2022	Saskatchewan	Oil and Gas	0.30	Debtor responsible for interim lender's expenses	5%	
MPX International Corporation	Certain Debentureholders	CCAA	KSV	July 24, 2022	Ontario	Cannabis	2.67	Commitment fee of 2%	12%	
The Sanderson-Harold Company c.o.b. as Paris Kitchens	BMO	NOI	KSV	May 31, 2022	Ontario	Manufacturing	0.45		Prime commercial lending rate of BMO plus 1.5% per annum (currently, 5.2%).	
Medipure Pharmaceuticals Inc.	HFS Management Inc.	NOI	Deloitte	May 11, 2022	British Columbia	Healthcare	1.36	Debtor responsible for interim lender's expenses	6%	
Sproutly, Inc. and Toronto Herbal Remedies Inc.	0982244 B.C. Ltd. o/a Isle of Mann Property Group	CCAA	BDO	June 24, 2022	Ontario	Cannabis	0.75	Facility fee of 2%	14	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Revlon Inc. et al.	The BrandCo Lenders and certain Prepetition ABL Lenders	Foreign order recognition	KSV	June 20, 2022	Ontario	Manufacturing	Term DIP Facility - \$1.025 billion; ABL DIP Facility - \$400 million	Term DIP Facility - 1% of the aggregate principal amount of each Term DIP Lender's Term DIP Commitment; ABL DIP Facility - 1% of the aggregate Tranche A DIP ABL Commitments as of the Petition Date	Term DIP Facility - SOFR + 775 basis points (with a 1% SOFR floor); LIFO ABL DIP Loans - ABR + 2.50% (with a 1.5% ABR floor); SISO ABL DIP Loans - ABR + 4.75% (with a 2.75% ABR floor)	
Canadian Dehua International Mines Group Inc.	Qubo Liu (a 50% shareholder)	CCAA	FTI	June 3, 2022	British Columbia	Mining	0.35	0	0	
MJardin Group Inc., Growforce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation	Bridging Finance	CCAA	KSV	June 2, 2022	Ontario	Cannabis	2.00	Upfront fee of \$50,000. Debtor responsible for DIP lender's expenses.	10	
Freshlocal Solutions Inc. et al.	Third Eye Asset Management Inc. / Ayal Capital Advisors EliteFund LP and Heidi S. Shippell Heiland 2008 Irrevocable Trust	CCAA	EY	May 16, 2022	British Columbia	Retail	1) TEC - 10 2) Ayal - 3	1) Closing fee of \$300,000; exit fee of \$300,000; extension fee of \$150,000 payable to extend the maturity date 2) Closing fee of \$90,000	1) Variable interest rate of the RBC Prime Rate + 8% (currently 12.7%) per annum 2) Variable interest rate of the RBC Prime Rate + 5% (currently 9.7%) per annum	The TEC loan was amended by order dated August 5, 2022. These are the amended terms. The Ayal loan was added on the same day.
Choom Holdings Inc.	1) Aurora Cannabis Inc. 2) Secured creditor other than Aurora	CCAA	EY	April 22, 2022	British Columbia	Cannabis	1) 0.8 2) 0.15	1) Borrower responsible for DIP lender's expenses.	1) 12 2) 12	
Hazleton Development Corporation	Triumph Eastern Investments Inc.	CCAA	Grant Thornton	April 20, 2022	Ontario	Real Estate	9.00	Commitment fee of \$180,000	13	
0989705 B.C. Ltd. et al.	Gatland, REV and South Street LP	CCAA	A&M	April 1, 2022	British Columbia	Real Estate	1.00	25,000	10	
Eve & Co Incorporated, Natural Medco Ltd. and Eve & Co International Holdings Ltd.	Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership and DK Strategic Yield U.S. GP LLC, as General Partner of DK Strategic Yield Master Trust Limited Partnership	CCAA	BDO	March 25, 2022	Ontario	Cannabis	2.20	Facility fee of 60,000. Borrower responsible for DIP lender's expenses.	12	
Rising Phoenix International Inc.	Interim Financing - Gestion Levy Inc. Junior Interim Financing - 6815464 Canada Ltd.	CCAA	Richter	January 6, 2022	Quebec	Education	Interim Financing - 1.75 Junior Interim Financing - 2.5	Unclear - facilities granted under seal	Unclear - facilities granted under seal	
Canada Fluorspar (NL) Inc. and Canada Fluorspar Inc. (collectively "CFI")	(i) Bridging Finance Inc., a body corporate, existing pursuant to the laws of Canada, as agent for the Bridging Funds ("BFI") and (ii) Her Majesty in Right of Newfoundland and Labrador, as represented by the Minister of Industry, Energy and Technology (as successor to the Minister of Tourism, Culture, Industry and Innovation)	CCAA	Grant Thornton	CCAA - March 11, 2022 Interim Receivership - February 21, 2022	Newfoundland	Mining	6.50	N/A	Prime plus 12%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Trinity Ravine Community Inc.	Nahid Corporation or an affiliate	CCAA	Deloitte	February 23, 2022	Ontario	Real Estate	0.85	1. one-time fee of \$20,000 payable from proceeds of the first Advance; 2. Advance Fee of \$500 plus HST in respect of each Advance; 3. Utilization Fee in respect of any unutilized portion of the DIP Facility at a rate of 0.35% per annum calculated and compounded monthly in arrears; 4. \$40,000 to be applied against the lender's legal fees and disbursements	The greater of 12% or the TD Bank Prime Rate (currently 2.45%) plus 9.55%	
BC Craft Supply Co. Ltd.	Avro Capital Corp.	NOI	Crowe MacKay	January 24, 2022	British Columbia	Cannabis	0.42	\$5,000 documentation fee; Borrower responsible for DIP lender's expenses	11.5% per annum, with an additional 3% per annum in the event of a default	
BlackRock Mining Inc. et al.	OMF Fund II H Ltd. and Investissement Québec	CCAA	Deloitte	December 23, 2021	Quebec	Mining	2.00		12% per annum	
Behr Technologies Inc.	13486826 Canada Inc.	NOI	Farber	December 3, 2021	Ontario	Technology	0.80	\$8,000 commitment fee	12% per annum	
Kaisen Energy Corp.	Durum Opportunities LP, an affiliate of Durum Capital Inc.	CCAA	EY	December 8, 2021	Alberta	Oil and Gas	1.00	\$50,000 commitment fee	ATB Financial Prime Rate + 5% per annum and is only payable on amounts advanced under the Interim Lender Facility;	
Harte Gold Corp.	1000025833 Ontario Inc., a wholly owned subsidiary of Silver Lake Resources Limited.	CCAA	FTI	December 7, 2021	Ontario	Other	10.80	Borrower responsible for DIP lender's expenses	(a) in the case of the Balance in the Monitor's Account from time to time, 2% per annum; (b) in the case of any portion of the Loan Amount that has been advanced, 5% per annum from the date of the advance	
Boreal Capital Partners	Halmont Properties Corporation	CCAA	EY	25-Nov-21	Ontario	Real Estate	10.00	Borrower responsible for DIP lender's expenses	7.50	
Junction Craft Brewing Inc.	100003509 Ontario Limited	NOI		15-Oct-21	Ontario	Food & Accommodation	0.65		0	0
ChronoMetriq Inc. and Health Myself Innovations Inc.	CIBC	NOI	Richter	26-Oct-21	Quebec	Healthcare	1.00	Unclear - term sheet filed under seal.	Unclear - term sheet filed under seal.	
Medifocus Inc. (TSX-v:MFS)	Asset Profits Limited	CCAA	Spergel	8-Sep-21 (NOI) 7-Oct-21 (CCAA)	Ontario	Biotech	0.70	Borrower responsible for DIP lender's expenses		9



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Drexler Construction Limited, Folmur Construction (2004) Ltd. and Down Under Pipe and Cable Locating Ltd.	Corwin Mortgage Capital Inc.	NOI	Albert Gelman	23-Mar-21	Ontario	Construction	Loan 1 - 1.5 Loan 2 - 1	Loan 1 - \$15,000 brokerage fee and \$1,200 administration fee, plus lender's legal fees Loan 2 - \$10,000 brokerage fee, plus lender's legal fees	Loan 1 - 6.99 Loan 2 - 10, interest only	
Coalspur Mines (Operations) Ltd.	Cline Trust Company LLC	CCAA	FTI	26-Apr-21	Alberta	Mining	26.00	Closing fee of US\$50,000. Undrawn amount fee of 2% on any undrawn amounts. The Borrower must also pay for the Lender and Monitor's reasonable expenses in connection with the loan.	12	
International Fitness Holdings Inc., International Fitness Holdings LP and World Health North LP	First Canadian Cardio-Fitness Clinics Ltd.	NOI	KPMG	23-Apr-21	Alberta	Other	10.00	The Borrower is responsible for the Lender's reasonable expenses in connection with the DIP loan, the term sheet and the NOI proceedings.	10	
BioEnergie AE Cote-Nord Canada Inc.	Biogaz SP senc	CCAA	Raymond Chabot	6-May-21	Quebec	Biotech	0.30			
CannTrust	Cortland Credit Lending Corporation	CCAA	EY	6-May-21	Ontario	Cannabis	22.50	Confidential	Confidential	
Spartan Bioscience Inc.	Casa-Dea Financing Ltd.	NOI continued as CCAA	EY	4-May-21	Ontario	Biotech	0.60	Facility fee of \$6,000. The Borrower is responsible for the Lender's reasonable expenses incurred in connection with the interim financing.	10%	
Ardenton Capital Corporation	RCM Capital Management Ltd.	CCAA	KSV	5-Mar-21	British Columbia	Financial Services	5.00	n/a	10%	
Just Energy Group Inc. (TSX:JE)	LVS III SPE XV LP, TOCU XVII LLC, HVS XVI LLC and OC II LVS XIV LP	CCAA	FTI	9-Mar-21	Ontario	Oil and Gas	125.00	Commitment fee of \$1.25 million and origination fee of \$1.25 million. The Borrower will be responsible for all of the DIP Lenders' reasonable legal fees incurred in respect of the DIP Financing.	13%	
Change of Scandinavia Canada Retail Inc.	Change of Scandinavia Holding A/S and Change of Scandinavia A/S	NOI	Richter	2-Mar-21	Quebec	Retail	2.00		15%	
Atis Group	BNS	CCAA	Raymond Chabot	24-Feb-21	Quebec	Manufacturing	6.25	Facility fee of \$112,500	Prime plus 3.75%	
TGF Acquisition Parent Ltd., Sun Rich Fresh Foods Inc. and Tiffany Gate Foods Inc.	Cortland Capital Market Services Ltd.	CCAA	EY	17-Feb-21	British Columbia	Food & Accommodation	13.40	Commitment fee of \$516,000.	Either 15% or 12.5%, pursuant to the terms of the Term Sheet	
Rockshield Engineered Wood Products	Hillmount Capital Inc.	NOI	Dodick & Associates	8-Feb-21	Ontario	Manufacturing	1.50	Commitment fee of \$30,000.	11%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Laurentian University	Firm Capital Corporation	CCAA	EY	1-Feb-21	Ontario	Education	25.00	Commitment fee of \$500,000. The Borrower will be responsible for all of the DIP Lender's reasonable legal fees incurred in respect of the DIP Financing.	Floating at the greater of 8.50% Per Annum or the TD Canada Trust Posted Bank Prime Rate of Interest from time to time plus 6.05% Per Annum	
Tradesmen Enterprises Limited Partnership	BMO	NOI	KSV	1-Feb-21	Alberta	Professional Services	1.90	Closing fee of \$65,000. The Borrower and Guarantor must pay the Lender's fees and expenses incurred in connection with the loan and the NOI proceedings.	12%	
Yatsen Group of Companies	1699803 Ontario Inc.	CCAA	A&M	25-Jan-21	Ontario	Food & Accommodation	5.00	The Borrower and Guarantors must pay the Lender's fees and expenses incurred in connection with the DIP loan and the CCAA proceedings.	3%	
Algold Resources Ltd. (TSX: ALG)	Aya Gold & Silver Inc.	NOI	Raymond Chabot	15-Jan-21	Quebec	Mining	2.40	Commitment fee of \$15,000 and monthly monitoring fee of \$5,000	20%	
FIGR Brands, Inc.	Alliance One Tobacco Canada, Inc.	CCAA	FTI	21-Jan-21	Ontario	Cannabis	16.00	The Borrower and Guarantors must pay the Lender's fees and expenses incurred in connection with the DIP loan and the CCAA proceedings.	8%	Initial DIP loan was \$8 million. Order dated March 31, 2021 increased amount of DIP loan to \$13 million. Order dated June 10, 2021 increased amount of DIP loan to \$16 million.
Greenfire Hangingstone Operating Corporation	Trafigura Canada General Partnership	NOI	A&M	8-Oct-20	Alberta	Technology	20.00	The Borrower must pay the Lender's reasonable fees and expenses in connection with the DIP Financing term sheet and monitoring thereof and the BIA proceedings.	LIBOR plus 8%	
33 Laird Inc. et al.	An Affiliate of Beaux Properties International Inc.	NOI	MNP	3-Dec-20	Ontario	Real Estate	0.25		10%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
King Street Restaurant Group	Third Eye Capital	CCAA	MNP	6-Nov-20	Ontario	Food & Accommodation	3.20	3% closing fee	12%	ARIO increased amount of DIP Commitment from \$1.2 million to \$1.4 million. DIP was later increased by subsequent orders to \$3.2 million.
2505243 Ontario Limited	Peter and Paul's Gifts Limited	NOI	KSV	16-Oct-20	Ontario	Food & Accommodation	1.50		5%	The initial amount approved was 0.3 million. This amount was increased by later court orders.
Creditloans Canada Financing Inc. (o/a Progressa) and Creditloans Canada Capital Inc.	JWC Opportunities Fund Inc.	CCAA	BDO	30-Sep-20	British Columbia	Financial Services	3		12%	
Hematite Group	Woodbridge Foam Corporation	CCAA	KPMG	18-Sep-20	Ontario	Automotive	6	The Borrowers must pay the Lender's reasonable fees and expenses in connection with the CCAA proceedings.	15%	
UrtheCast Corp.	1) 1262743 B.C. Ltd. 2) HCP-FVL, LLC	CCAA	EY	4-Sep-20	British Columbia	Technology	USD \$3mm term loan facility and USD \$2mm revolving credit facility.	1) The Borrowers must pay the Lender's reasonable fees and expenses in connection with the CCAA proceedings. 2) Standby fee of 2% on any undrawn portion; 3% commitment fee; exit fee of \$160,000-\$400,000, calculated on the basis of how much is drawn down. The Borrower must also pay the Lender's reasonable expenses in connection with the DIP loan.	18%	The first USD \$1 million loan was obtained as an interim loan while the debtors were in discussions to obtain the second USD \$5 million loan. The charge securing the second loan ranks ahead of the charge securing the first loan.



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes	
PharmHouse Inc.	Canopy Rivers Corporation	CCAA	EY	15-Sep-20	Ontario	Cannabis	10.74	The Borrower must pay the Lender's reasonable costs and expenses (including legal) incurred by or on behalf of the Lender in respect of the Facility or any loan documents and in connection with the enforcement of the Lender's rights thereunder.	8%	Order dated December 18, 2020 increased amount of DIP from 7 to 9.70 million. Order dated February 25, 2021 increased amount of DIP to 10.40 million. Order dated March 11, 2021 increased amount of DIP to 10.74 million.	
Mountain Equipment Co-operative Groupe Dynamite	Toronto-Dominion Bank, Royal Bank of Canada and Canadian Imperial Bank of Commerce 10644579 Canada Inc.	CCAA	Alvarez & Marsal Deloitte	14-Sep-20 4-Sep-20	British Columbia Quebec	Retail Retail	100 10	The Interim Lenders also provided the petitioners' pre-filing credit facilities, so an "amendment fee" of \$250,000 is payable on the execution of the Interim Financing Credit Agreement. The petitioners are also required to reimburse the Interim Lenders for all reasonable and documented expenses in connection with the Interim Financing Facility and Interim Financing Credit Agreement.		Interest is payable on the outstanding principal amount at the applicable rate per annum for the Prime Rate, BA Rate and LIBO Rate Loans, any unused line fee, and the Default Rate for past due payments (all as defined in the Updated Credit Agreement), plus a rate of 2% per annum, payable on the Maturity Date	
Port Capital Development (EV) Inc.	Desjardins Financial Security Life Assurance Company	CCAA	EY	29-May-20	British Columbia	Real Estate	1.80	Commitment fee of \$25k. The Borrower will be responsible for all of the Interim Lender's reasonable legal fees incurred in respect of the Interim Financing and CCAA proceedings.		The higher of (a) the prime rate posted by the Fédération des caisses Desjardins du Québec plus 9.55% per annum, or (b) 12% per annum, accruing daily in arrears on the outstanding amount of the DIP Facility from time to time	Order dated June 8, 2020 added DIP charge and order dated March 1, 2021 increased amount of DIP charge from \$1.25 million to \$1.5 million. Order dated June 16, 2021 increased amount of DIP charge to \$1.8 million.



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Reitmans (Canada) Limited	Bank of Montreal and Roynat Inc.	CCAA	EY	19-May-20	Quebec	Retail	60	The interim financing provides for: 1) a standby charge of 0.6% on amounts committed and not drawn; 2) a commitment fee of \$360k payable on court approval of the interim facility; and 3) reimbursement of the reasonable out-of-pocket expenses.	Prime + 5%	
Tidal Health Solutions	Iostesso Holdings Inc. or an affiliate thereof	NOI	PwC	30-Jul-20	Quebec	Cannabis	1	The Borrower shall pay all the Interim Lender's legal fees (on a solicitor-client, full indemnity basis) and out-of-pocket disbursements and any costs of realization and enforcement, in each case in connection with the facility.	11%	
Northern Pulp Nova Scotia Corporation	Paper Excellence Canada Holdings Corporation (in its capacity as Lender) together with one or more other financial institutions or investment funds	CCAA	EY	19-Jun-20	Nova Scotia	Agriculture	21	Commitment fee of 2.5% on any advance and standby fee of 2.5% on any unadvanced portion. Agency fee of \$5,000 per annum.	10%	Amount of DIP was increased from \$13 million to \$21 million on April 22, 2021
Glenogle Energy Inc. and Glenogle Energy Limited Partnership	HSBC	NOI	EY	14-May-20	Alberta	Oil and Gas	2		Prime plus 4.75%	
Moores	JPMorgan Chase Bank, N.A., and a syndicate of lenders	CCAA (recognition of Texas proceeding as foreign main proceeding)	Grant Thornton	5-Aug-20	Ontario	Retail	US\$500, which includes a "creeping roll up" of the US Chapter 11 Debtors' obligations under Prepetition ABL Facility and includes a US\$50 million facility for the Foreign Representative	Commitment fee and letter of credit fee calculated pursuant to a formula in the DIP agreement	Interest calculated pursuant to a formula in the DIP agreement	
Bow River Energy Ltd.	2270943 Alberta Ltd.	CCAA	BDO	1-Jun-20	Alberta	Oil and Gas	1.1	The Borrower shall pay all of the Interim Lender's legal fees and out of pocket disbursements and any costs of realization or enforcement, in each case in connection with or otherwise related to the Interim Facility, the Interim Lender Charge, the other Interim Financing Credit Documentation or the CCAA Proceedings.	8%	





**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Korite International	5024639 Ontario Inc.	CCAA	BDO	30-Jun-20	Alberta	Manufacturing	0.702	The Borrower shall pay all of the Interim Lender's legal fees and out of pocket disbursements and any costs of realization or enforcement, in each case in connection with or otherwise related to the Interim Facility, the Interim Lender Charge, the other Interim Financing Credit Documentation or the CCAA Proceedings	Prime plus 3.5% per annum	
GNC Holdings	GLAS Trust Company as agent and JP Morgan Chase Bank, N. A.	CCAA - Chapter 11 Recognition Order	FTI	24-Jun-20	Ontario	Retail	200 (GLAS) and 305 (JP Morgan Chase)			
Peraso Technologies Inc.	Roadmap Capital General Partner Ltd., Roadmap Peraso LP III (U.S. and Offshore) and XCOM Labs, Inc.	CCAA	EY	3-Jun-20	Ontario	Technology	Confidential		6% per annum and 8% per annum on overdue amounts	
Cequence Energy Ltd.	Confidential	CCAA	EY	29-May-20	Alberta	Oil and Gas	7.00		9% per annum on drawn funds and 1% per annum on undrawn funds. Default interest is an additional 3% on all amounts outstanding.	
Green Growth Brands Inc.	All Js Greenspace LLC	CCAA	EY	20-May-20	Ontario	Cannabis	US14.2		5% per annum	Amount of DIP loan increased from US7.8 million to US10 million and subsequently US 14.2 million
Dominion Diamond Mines	Washington Diamond Lending, LLC and a syndicate of lenders	CCAA	FTI	23-Apr-20	Alberta	Mining	60.00	DMI shall pay all outstanding fees and expenses to date of the Existing Credit Facility Lenders, including legal and financial advisory expenses, via the initial draw under the Interim Facility	5.25% per annum, payable monthly, and increases to 7.25% in the event of a default	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Beleave Inc.	Hegedus Consulting Services Inc.	CCAA	Grant Thornton	5-Jun-20	Ontario	Cannabis	0.50			Interest shall accrue upon the occurrence of any of the following events: (i) in accordance with the terms set out in Schedule "E" of the Stalking Horse APA; or (ii) upon the occurrence of an Event of Default hereunder
Entrec Corporation	Wells Fargo Capital Finance Corporation Canada as Administrative Agent	CCAA	A&M	14-May-20	Alberta	Transportation	30.00	Amendment fee of \$250,000 (interim facility is provided as amendment to existing credit facilities)	8%	
Redrock Camps Inc.	Invico Diversified Income Limited Partnership	CCAA	BDO	13-May-20	Alberta	Food & Accommodation	2.50	Commitment fee of \$50,000	10%	
Quest University Canada	RCM Capital Management Limited	CCAA	PWC	16-Jan-20	British Columbia	Education	8.20	Commitment fee of \$35,000; structuring fee of 4% on each drawdown	9% until the maturity rate; 15% thereafter	
JMB Crushing Systems	ATB Financial / Canadian Aggregate Resource Corporation	CCAA	FTI	1-May-20	Alberta	Manufacturing	0.9 / 0.5		10% / 10%	
Aldo Group	National Bank of Canada	CCAA	EY	7-May-20	Quebec	Retail	60.00	Standby charge of 1.25% on amounts committed and not drawn and commitment fee of \$600,000	LIBOR + 5.5% for the first 9 months and LIBOR + 6.5% thereafter. An additional 2% applies where there is a default.	
True Leaf Brands	Lind Asset Management XV, LLC	NOI	FTI	3-Apr-20	British Columbia	Manufacturing	0.70	Facility fee of \$14,000 and diligence fee of \$5,000	10.00%	
HealthChain	REDDS Technology Fund I LP	NOI	Dodick & Associates	28-Feb-20	Ontario	Technology	0.20	Commitment fee of \$4,000	10.00%	
1348441 Ontario Inc. o/a Solutions Your Organized Living Store	Gurmej Walia	NOI	Dodick Landau	26-Mar-20	Ontario	Retail	0.50		0.00%	*Note: lender is debtor's principal shareholder
Kahunaverse Sports Group	Grayrock Capital Incorporated	NOI	PwC	11-Mar-20	British Columbia	Retail	1.40	\$150,000 retainer deemed to be initial drawdown; structuring fee of 2% of principal to be paid to lender and deducted from initial drawdown on closing	8.00%	
James E. Wagner Cultivation Corporation	Trichome Financial Corp.	CCAA	KSV	1-Apr-20	Ontario	Cannabis	8.20	Commitment fee of \$120,000	10.00%	DIP amount increased through subsequent DIP amendment orders



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Green Relief Pure Global Cannabis Inc. et al.	1) Antonio Battaglia / Dr. Neilank Jha; 2) 2650064 Ontario Inc.	CCAA	PwC	8-Apr-20	Ontario	Cannabis	1) 0.25 / 0.5; 2) 1.5	2) The Company must pay the DIP Lender's reasonable costs and expenses to a maximum of \$100,000	1) 5%; 2) 5%	Second DIP loan obtained in connection with proposed sale of company
		CCAA	EY	19-Mar-20	Ontario	Cannabis	4.00	2.25% of DIP facility	9.25%	
Lydian International Limited	Orion Co IV (ED) Limited, Resource Capital Fund VI L.P. and Osisko Bermuda Limited	CCAA	Alvarez & Marsal	23-Dec-19	Ontario	Mining	Confidential		Confidential	
Eureka 93 Inc.	Spouter Corporation Inc., David and Donna VanSegbrook	NOI	Deloitte	14-Feb-20	Ontario	Cannabis	2.30	Commitment fee of \$320,000	15.00%	
2607380 Ontario Inc.	Meridian	CCAA	Richter	26-Feb-20	Ontario	Real Estate	7.18	Commitment fee of \$107,000, availability fee of \$2,000 per month.	9.25%	
Air Georgian Limited	2229275 Alberta Ltd.	NOI	KPMG	31-Jan-20	Ontario	Aviation	0.80		12%	
Pier 1 Imports (U.S.), Inc. Ontario Graphite	Various pre-petition lenders Orionis Corporation	Foreign order recognition CCAA	Alvarez & Marsal Deloitte	18-Feb-20 12-Feb-20	Ontario	Retail Mining	USD \$256.0 2.75	\$2.4 million in aggregate fees (equal to 0.9% of the total financing)	Revolving loans: LIBOR + 3% FILO Loans: LIBOR + 4.5% ABL Term Loan: LIBOR + 8%	15.0%
Invictus MD Strategies	ATB Finacial	CCAA	PwC	13-Feb-20	British Columbia	Cannabis	3.00	\$60,000 upfront fee (2% of total commitment, \$500/mo. monitoring fee.	10.0%	
Rebuts Solides Canadiens inc. et al	RECYC-QUÉBEC and le Ministere de l'Environnement de la Lutte contre les changements climatiques	CCAA	PwC	3-Feb-20	Quebec	Recycling	9.00		5.0%	
AgMedica Bioscience Inc.	SV V Bridge III, LP	CCAA	EY	2-Dec-19	Ontario	Cannabis	7.50		9.5%	
Fortress Global Enterprises Inc.	Investissement Quebec	CCAA	Deloitte	16-Dec-19	Quebec	Forestry	17.00		10%	Commitment was initially \$6 million but was increased by subsequent orders.
Prendville Industries Ltd.	CIBC	NOI	EY	5-Dec-19	Ontario	Forestry	1.55		CIBC prime rate + 4.0%	
Trade Secret Web Printing Inc.	B&Y Property Holdings Inc.	NOI	Crowe Soberman	22-Nov-19	Ontario	Printing	0.25	2% closing fee	5%	
Gestion KnightsBridge Inc. and Investissements KnightsBridge S.E.C.	Claric Drolet Limited Partnership and Claric Bromont Limited Partnership	NOI	Richter	15-Nov-19	Quebec	Real Estate	0.10		10%	
Viafoura Inc.	Intercep Equity Inc.	NOI	KSV	1-Dec-19	Ontario	Technology	1.00	1% of loan payable upon each extension of loan maturity beyond January 30, 2020.	RBC prime rate plus 2%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Wayland Group Corp. et al	The House of Turlock Ltd.	CCAA	PwC	2-Dec-19	Ontario	Cannabis	1.10	\$50,000 initial commitment fee, subsequent commitment fee equal to the greater of \$125,000 and \$4% of the difference between the maximum DIP availability and the amount of the initial advance.	13.0%	
AgMedica Bioscience Inc.	Hillmount Capital Inc.	CCAA	EY	2-Dec-19	Ontario	Cannabis	7.50	2.25% commitment fee	9.5%	
North American Fur Auctions Inc.	Waygar Capital Inc.	CCAA	Deloitte	31-Oct-19	Ontario	Distribution	USD \$5.0	2% closing fee	12.0%	
Accel Energy Canada Limited	Third Eye Capital Corporation (as agent) and ICC Credit Holdings Ltd. and other parties as lenders.	NOI	PwC	21-Oct-19	Alberta	Oil and Gas	38.00	\$600.0M closing fee	12.0%	
DEL Equipment Inc.	Diesel Equipment Limited	CCAA	MNP	22-Oct-19	Ontario	Automotive	1.00		6.5%	
Bellatrix Exploration Ltd.	Names of lenders redacted	CCAA	PwC	2-Oct-19	Alberta	Oil and Gas	USD \$15.0	USD \$0.75MM, earned as follows: i) USD \$0.25MM on the date of initial advance, ii) USD \$0.25 MM if not repaid within 30 days, and iii) USD \$0.25MM if not repaid within 60 days.	10.0%	
Energold Drilling Corp.	Energold DIP Lender, LLC	CCAA	FTI Consulting	13-Sep-19	British Columbia	Mining	3.75	\$90.0M closing fee, \$90.0 M agent fee and \$90.0M exit fee	8% for the first 45 days post-filings, 12% for the next 30 days, 18% thereafter	
Stornaway Diamond Corporation	Osisko Gold Royalties Ltd., CDPQ Resources Inc., 1078243 Canada Limited and Diaquem Inc.	CCAA	Deloitte	9-Sep-19	Quebec	Mining	20.00		12.5%	
3834310 Canada Inc. (Groupe Capitales Medias)	Investissement Quebec	NOI	PwC	19-Aug-19	Quebec	Media	5.00	Confidential	Confidential	
Gedex Systems Inc.	FCMI Parent Co.	CCAA	Zeifmans	12-Aug-19	Ontario	Technology	0.55			In accordance with company's pre-filing credit agreement with lender.
Jack Cooper Ventures	Prepetition ABL Lenders	Foreign order recognition	Alvarez & Marsal	9-Aug-19	Ontario	Automotive	85.00	0.25% standby fee	LIBOR plus 3.5% or Base Rate plus 2.5%	
Yukon Zinc	Century Acquisitions Inc.	NOI	PwC	31-Jul-19	British Columbia	Mining	3.00		18.0%	
VistaCare Communications Services of Canada Inc., et als	Bank of Montreal and Roynat Inc.	NOI	Grant Thornton	19-Jun-19	Nova Scotia	Telecommunications	2.65	\$25.0M commitment fee	9.5%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
ILTA Grain Inc.	Farm Credit Canada	CCAA	PwC	7-Jul-19	British Columbia	Agriculture	8.00	2.5% commitment fee	8.0%	
Miniso Canada	MIHK Management Inc.	CCAA	Alvarez & Marsal	11-Jul-19	British Columbia	Retail	2.00	N/A	10.0%	
Argex Titanium Inc.	11345974 Canada Inc.	NOI	PwC	2-Jul-19	Quebec	Technology	1.50	2% commitment fee	18.5%	
Orbcare Inc.	iGan Partners Inc.	NOI	MNP	25-May-19	Ontario	Technology	1.20	\$0.25MM	10.0%	
Hollander Sleep Products Canada Limited (Canadian borrower of US group under Chapter 11 bankruptcy protection)	Syndicate of prepetition ABL lenders	Foreign order recognition	KSV	23-May-19	Ontario	Manufacturing	90.0MM (Canadian debtor sublimit of \$20.0MM)	\$1.35MM closing fee (1.5% of committed amount)	Effective interest estimated to be 6.5%	
Biomod Concepts Inc.	T Investment Corp.	NOI	Richter	8-Apr-19	Quebec	Technology	0.67		15.0%	
Bondfield Construction Company Limited	Zurich Insurance Company Ltd.	CCAA	EY	3-Apr-19	Ontario	Construction	27.50		6.0%	
Bondfield Construction Company Limited	Bridging Finance, as agent	CCAA	EY	3-Apr-19	Ontario	Construction	6.00		14.0%	
Divestco Inc.	Krik Popadynetz, Wade Darryl Brillon, Marvin Lefebvre, Monashees Vernon Liquor Store Ltd. and Michael Brent Gough	CCAA	Grant Thornton	4-Mar-19	Alberta	Oil and Gas	1.50	\$25,000 facility fee, professional costs of lender.	18.0%	
Ascent Industries Corp.	Pillar Capital Corporation	CCAA	EY	1-Mar-19	British Columbia	Cannabis	2.00	3% structuring fee, monthly monitoring fee of \$750 and due diligence fee of \$6,250.	15.0%	
Resource Capital Gold	Sprott Private Resource Lending (Collector) LP	NOI	PwC	28-Jan-19	British Columbia	Mining	2.20	Professional costs of the lender	18.0%	
Nautilus Minerals Inc.	Deap Sea Mining Finance Ltd.	CCAA	PwC	21-Feb-19	British Columbia	Mining	4.00	Professional costs of the lender	8.0%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Donaldson & James Ltd. and the Agency Employment Services Ltd.	FundThrough Inc.	NOI	Farber	23-Jan-19	Ontario	Staffing	3.00	1.5% facility fee, professional costs of the lender	24.0%	
Vari-Form	11032569 Canada Inc. (also the stalking horse bidder in these proceedings).	CCAA	PwC	8-Jan-19	Ontario	Automotive	22.80		5.0%	
Forme Development Group Inc.	Kingsett Mortgage Corporation	CCAA	KSV	30-Nov-18	Ontario	Real Estate	5.00	\$75.0M commitment fee, extension fee of \$25.0M on each 4-month extension; professional costs of the lender.	RBC's prime rate + 4.55% (minimum rate of 8.5%)	
Harvest Fraser Richmond Organics	Pillar Capital Corporation	CCAA	EY	12-Oct-18	British Columbia	Cleantech	1.00	Unknown	14.0%	
Stantive Technologies Group Inc.	1968392 Ontario Inc. and 233073 Ontario Inc.	NOI	EY	14-Nov-18	Ontario	Technology	0.80	2% commitment fee.	12.0%	
OpenHydro	OpenHydro Group Limited (In Liquidation)	CCAA	Grant Thornton	7-Nov-18	Nova Scotia	Biotech	0.50	N/A	0.0%	
Fluid Brands Inc.	CIBC	NOI	Richter	25-Oct-18	Ontario	Retail	25.30	\$165.0M commitment fee; professional costs of lender.	In accordance with company's pre-filing credit agreement with lender.	
Harvest Fraser Richmond Organics	Maynbridge Capital	CCAA	EY	12-Oct-18	British Columbia	Cleantech	1.02	4% commitment fee, 2% standby fee	10.0%	
Le groupe S.M. Inc. et als	Integrated Asset Management	CCAA	Deloitte	24-Aug-18	Quebec	Construction	2.00	1% standby fee	9.0%	
Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals Canada Inc.	Deerfield Management Company, L.P.	CCAA	Richter	10-Aug-18	Ontario	Pharmaceuticals	10.00	1% commitment fee, 1% extension fee	10.0%	
Burry's Shipyard	BDC	NOI	Deloitte	10-Jul-18	Newfoundland	Manufacturing	0.30	Loan processing fee of \$6.0M, monthly administration fee of \$250, professional costs of lender.	BDC's Floating Base Rate + 6.45% (12.25% effective rate)	
Ranch Energy Corporation et al.	Third Eye Capital Corporation	CCAA	EY	10-Jul-18	Alberta	Oil and Gas	1.36	Unknown	12.0%	
Kolsy Homes	KV Capital Corporation	CCAA	Bowra Group	9-Jul-18	Alberta	Real Estate	0.60	Unknown	Unknown	
TELEoIP Inc.	Adarsan Holdings Limited and Dicot Holdings Ltd.	CCAA	PwC	27-Jun-18	Ontario	Technology	1.50	Professional costs of lender	5.0%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors  
Current as at August 21, 2023**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Aspen Air	C.F. Capital Corporation	NOI	KSV	12-Jun-18	Alberta	Manufacturing	0.25	2% commitment fee, 2% exit fee, professional costs of lender	10.0%	
Purcell Basin Minerals Inc. et al.	Braveheart Resources Inc.	CCAA	MNP	29-May-18	British Columbia	Mining	0.15	Professional costs of lender	12.0%	
Purcell Basin Minerals Inc. et al.	MLM Pacific LLC	CCAA	MNP	29-May-18	British Columbia	Mining	0.63	Finance fee equal to 10% of each advance, professional costs of lender	7.0%	
Bioamber Canada & Bioamber Sarnia Inc.	Maynbridge Capital	CCAA	PwC	24-May-18	Ontario	Manufacturing	3.50	3% commitment fee, 2% standby fee, 3% break fee, early repayment penalties, professional costs of lender	9.0%	
Drexler Construction Limited, Folmur Construction (2004) Ltd. and Down Under Pipe and Cable Locating Ltd.	Corwin Mortgage Capital Inc.	NOI	Albert Gelman							
Purewal Blueberry Farms Ltd.	Blueberry Holding (GP) Ltd.	NOI	FTI Consulting	30-Apr-18	British Columbia	Agriculture	0.50	\$15.0M lending fee upon court acceptance	15.0%	
Discovery Air Inc.	CEP IV Co-Investment Limited Partnership	CCAA	KSV	21-Mar-18	Ontario	Transportation	12.60	Professional costs of lender	10.0%	
Société en commandite Tilly de Laval et Promotions Anne Delisle Inc.	La Financiere Transcapitale Inc.	CCAA	Lemieux Nolet Inc.	14-Feb-18	Quebec	Construction	0.75	Unknown	Unknown	
Manitok Energy	SCCC Petroleum Corporation	NOI	FTI Consulting	10-Jan-18	Alberta	Oil and Gas	8.00	2% standby fee, \$150.0M commitment fee, 2% prepayment fee, exit fee of \$150.0M, professional costs of lender	8.0%	
9333-9109 Quebec	Unknown	CCAA	André Allard & Associés Inc.	1-Dec-17	Quebec	Real Estate	Unknown	Unknown	Unknown	