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IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF MEDIPURE PHARMACEUTICALS INC. AND MEDIPURE HOLDINGS INC.

FIRST REPORT TO COURT OF THE PROPOSAL TRUSTEE

DELOITTE RESTRUCTURING INC.

JUNE 8, 2022

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INTRODUCTION

- 1) This first report ("**First Report**") has been prepared by Deloitte Restructuring Inc. ("**Deloitte**") in its capacity as proposal trustee (the "**Proposal Trustee**") under the Notices of Intention to File a Proposal ("**NOIs**") filed by Medipure Pharmaceuticals Inc. ("**MPI**") and Medipure Holdings Inc. ("**MHI**", together with MPI, "**Medipure**" or the "**Companies**") on May 11, 2022 (the "**Filing Date**") pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"). The proceedings in which the Proposal Trustee was appointed are referred to herein as the "**NOI Proceedings**".
- 2) As a result of filing the NOIs, the Companies were each granted an automatic 30-day stay of proceedings to June 10, 2022 pursuant to Section 69(1) of the BIA (the "**Initial Stay**"). The Companies are required to file a proposal within the Initial Stay or within any further extension of the Initial Stay as granted by the Supreme Court of British Columbia (the "**Court**").
- 3) The Proposal Trustee has prepared a material adverse change report dated June 3, 2022 (the "**Material Adverse Change Report**") due to the Companies not meeting the funding outlined in their initial cash flow projection. As the projected funding was received on June 6, 2022, the Proposal Trustee issued a cover letter dated June 6, 2022 (the "**MAC Cover Letter**") that, along with the Material Adverse Change Report, is attached hereto as Appendix "**A**".

PURPOSE

- 4) The purpose of this First Report is to provide information to this Honourable Court in respect of:
 - a) Certain background information related to the Companies;
 - b) The activities of the Companies and Proposal Trustee since the Filing Date;
 - c) The rationale for the proposed payment of certain pre-filing obligations of the Companies to critical vendors and outstanding wages to the employees;
 - d) An analysis of the Companies' actual cash receipts and disbursements to June 3, 2022, compared to the cash flow forecast filed on May 20, 2022 (the "**May 20 Cash Flow Forecast**") that covered the period from May 7 to June 17, 2022 (the "**Initial Forecast Period**");
 - e) The Companies' cash flow projection for the period from June 4 to August 12, 2022 (the "**Updated Cash Flow Forecast**");
 - f) The Companies' efforts to secure funding for its ongoing costs during the NOI Proceedings and the terms of the proposed debtor-in-possession ("**DIP**") financing;
 - g) A preliminary analysis of the Companies' assets and liabilities;
 - h) The rationale for the proposed DIP Lender's Charge, Administration Charge and D&O Charge (as those terms are hereinafter defined) over the Companies' assets; and
 - i) The Companies' request for an extension of the Initial Stay under the NOIs from June 10, 2022 to July 25, 2022 (the "**Stay Extension Period**").

TERMS OF REFERENCE

- 5) In preparing this First Report, the Proposal Trustee has relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of the Companies ("**Management**") and the Companies' legal counsel. Although this information has been reviewed, Deloitte has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management or otherwise provided by the Companies in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook*. Accordingly, Deloitte expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in, or otherwise used to prepare this First Report.
- 6) Certain of the information referred to in this First Report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and projections and procedures as outlined by the *Chartered Professional Accountants of Canada* has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.
- 7) All monetary amounts contained in this First Report are expressed in Canadian dollars, unless otherwise indicated.
- 8) Terms not defined in this First Report are defined in the Material Adverse Change Report.
- 9) The reports of the Proposal Trustee and other information in respect of the NOI Proceedings are posted on the Proposal Trustee's website at www.insolvencies.deloitte.ca/en-ca/Pages/Medipure.

BACKGROUND

- 10) Certain background information on the Companies and the various stakeholders was included in the Material Adverse Change Report and will not be repeated in this First Report.
- 11) MHI was incorporated under the *Business Corporations Act* of British Columbia ("**BCBCA**") on June 20, 2014. MPI was incorporated under the BCBCA on February 12, 2014. MPI is a wholly owned subsidiary of MHI.
- 12) The Proposal Trustee understands that each of the Companies currently have three directors, Mr. Lorne Nystrom, Mr. Daniel L. Gelinias, and Dr. Nihar Pandey.
- 13) MHI became a reporting issuer on November 7, 2014, trading on the Canadian Securities Exchange under the symbol "MDH". On November 4, 2015, MHI was issued a cease trade order ("**CTO**") by the British Columbia Securities Commission ("**BCSC**") as a result of MHI's failure to file continuous disclosure materials, and was subsequently delisted in August 2016. MHI is currently subject to CTOs in the provinces of British Columbia, Alberta and Ontario.

- 14) The Computershare listing for MHI indicates that approximately 41% of the MHI shares are held by GCB Capital LLC ("**GCB**") with the remaining shares being widely held by several US and Canada-based investors. The principal of GCB is Mr. Chris Condon. The Proposal Trustee understands that there may be unissued or disputed MHI shareholdings as a result of the CTOs and other matters, but the Proposal Trustee has not reviewed these issues in any detail to date.
- 15) The Companies' consolidated unaudited and draft financial statements for the year ended March 31, 2022 indicate a comprehensive loss of \$7.4 million, with an accumulated deficit of \$36.0 million since inception.
- 16) As a result of the CTOs, Medipure has been restricted from raising additional capital to fund its operations. The Companies' have a substantial working capital deficiency and began to experience liquidity issues in late 2021.
- 17) The Companies' principal secured creditor is SHP Capital LLC ("**SHP**"), which the Proposal Trustee understands is owed approximately US\$2.1 million, plus interest and costs, under a senior secured promissory note dated October 21, 2021. SHP is also a shareholder in MHI, having contributed approximately US\$8.4 million in the later half of 2021 pursuant to certain stock purchase agreements. The Proposal Trustee understands that Mr. Craig Anderson is the principal and sole manager of SHP.
- 18) On or around March 2022, Medipure held discussions with SHP to seek additional financing for its operations. The Proposal Trustee understands that SHP proposed providing additional funding largely via additional secured loan notes and preferred shares at a significant cost.
- 19) As a result of the significant cost associated with the funding offer from SHP and an alternative financing agreement from HFS Management Inc. ("**HFS**") that the Proposal Trustee understands was received just before a March 2022 MHI board meeting, the MHI board accepted the HFS financing proposal over the proposal provided by SHP. At present, Medipure's operations are being financed by way of advances from HFS under an unsecured 6% interest bearing loan from HFS pursuant to the terms of a commercial loan agreement entered into between MHI and HFS as of April 7, 2022 (the "**HFS Loan Agreement**"), a copy of which is attached hereto as Appendix "**B**". The Proposal Trustee understands that Mr. Condon is involved with HFS and is, or will be, the principal party providing the funding under the HFS Loan Agreement and the potential DIP financing. HFS has advanced a total of approximately US\$520,000 to the Companies since April 2022, including approximately US\$230,000 since the Filing Date.
- 20) On April 5, 2022, SHP filed a petition in the Court seeking, among other things, the appointment of a receiver-manager under section 227(3)(c) of the BCBCA. The Proposal Trustee understands that this action did not advance and on May 2, 2022, SHP filed an application for a bankruptcy order in respect of the Companies, with a hearing date set for May 13, 2022 (the "**May 13 Bankruptcy Application**"). The Companies' filed the NOIs prior to the hearing date for the May 13 Bankruptcy Application in an effort to stay the action and to try and preserve value and maximize recoveries for their stakeholders. SHP has raised concerns around Medipure not meeting the funding requirements outlined in the May 20 Cash Flow Forecast, along with other issues, and is looking to proceed with the May 13 Bankruptcy Application.
- 21) The Proposal Trustee understands that there were a number of events related to SHP and other shareholders, including GCB, Mr. Condon and the former Chief Executive Officer, Mr. Boris Weiss, which lead to the NOI Proceedings. In the May 13 Bankruptcy

Application materials, SHP and Mr. Anderson make various allegations related to improper financing activities and mis-management of the Companies. The Proposal Trustee has not investigated these allegations and is not able comment on their veracity at this time.

ACTIVITIES OF THE COMPANIES AND PROPOSAL TRUSTEE

- 22) Subsequent to filing the NOIs, Management worked with the Proposal Trustee to prepare the initial notice to creditors is attached hereto as Appendix "C". The notices were mailed to all known creditors on May 17, 2022.
- 23) Management worked with the Proposal Trustee to prepare the May 20 Cash Flow Forecast for the Initial Forecast Period from May 7 to June 17, 2022 using the probable and hypothetical assumptions set out in the notes to the May 20 Cash Flow Forecast. The May 20 Cash Flow Forecast was filed with the OSB on May 20, 2022.
- 24) The May 20 Cash Flow Forecast, together with Management's Report on the Cash Flow Statement as required by subsection 50.4(2)(c) of the BIA, is included in the appendix of the Material Adverse Change Report attached hereto as Appendix "A".
- 25) Based on the Proposal Trustee's review of the May 20 Cash Flow Forecast, there were no material assumptions which seemed unreasonable. The Proposal Trustee's Report on the Companies' Cash Flow Statement as required by subsection 50.4(2)(b) of the BIA is attached hereto as Appendix "D".
- 26) The May 20 Cash Flow Forecast indicated that Medipure may require interim financing of up to approximately \$540,000 during the Initial Stay to maintain the Companies' operations in the normal course while it explores alternatives to either refinance or restructure its affairs.
- 27) Medipure engaged Boughton Law Corporation ("**Boughton**") to assist them before and during the NOI Proceedings.
- 28) During the Initial Stay, Medipure has also engaged separate legal counsel, Farris LLP ("**Farris**"), who has been in discussions with the BCSC, along with Boughton, to seek the partial revocation of the CTOs to, among other things, allow the Companies to secure DIP financing. A formal partial revocation application to the BCSC was made by Farris on behalf of Medipure on June 1, 2022 (the "**Partial Revocation Application**"). The Proposal Trustee understands that a special committee of the Board of Directors has been recently re-established to address the BCSC's concerns and that BDO Dunwoody LLP ("**BDO**") has been engaged to complete a related forensic audit.
- 29) The Proposal Trustee was provided with a letter from the BCSC to MHI dated June 3, 2022, after the Material Adverse Change Report issuance date, that the BCSC does not require Medipure to seek relief from the terms of the CTO for purposes of seeking Court approval of a DIP loan. As a result, the Proposal Trustee understands that Medipure and its counsel will continue to engage with the BCSC with the purpose of ultimately obtaining a full revocation of the CTO and, in the interim, any necessary partial revocation orders, to allow Medipure to make a proposal to its creditors.
- 30) The Proposal Trustee has held brief discussions with the BCSC and BDO to understand the issues around the CTO and the potential timing of the forensic audit and a full or partial revocation of the CTO.

- 31) The Proposal Trustee has responded to creditor enquiries and has held discussions with Mr. Anderson.
- 32) The Proposal Trustee has been monitoring the Companies and the May 20 Cash Flow Forecast and, as previously discussed, issued the Material Adverse Change Report as a result of the Companies being late in receiving funds from HFS.
- 33) Management worked with the Proposal Trustee to prepare the Updated Cash Flow Forecast as further detailed later in this First Report.
- 34) The Proposal Trustee understands that Medipure has continued to explore their options to refinance and/or restructure its debts and has secured a commitment letter from HFS for DIP financing. This is described in more detail later in this First Report.

PAYMENT OF PRE-FILING ARREARS

- 35) The May 20 Cash Flow Forecast includes the payment of certain pre-filing arrears to critical vendors and employees, as follows:
 - a) Arrears of payroll and related benefits and payroll source deductions for 17 employees for the two week period ended April 29, 2022 in the amount of approximately \$87,000. These amounts were paid on May 17, 2022 and were funded by monies advanced by HFS under the HFS Loan Agreement.
 - b) Additional arrears of payroll and related WorkSafe BC and payroll source deductions for 17 employees for the two week period ended May 13, 2022 which was due and payable on May 20, 2022 in the amount of approximately \$87,000 (the "**May 20 Payroll Arrears**"), plus arrears of wages in a further amount of approximately \$20,000 owing to Dr. Nihar Pandey (Chief Scientific Officer) and Mr. Rman Walia (VP of Finance) relating to pay periods from March to May 2022 which were deferred due to the Companies' liquidity issues. The May 20 Payroll Arrears were paid on June 6, 2022 through a further advance by HFS under the HFS Loan Agreement. Dr. Pandey and Mr. Walia agreed to defer the \$20,000 owing to them, along with a further \$14,000 of their May 13, 2022 payroll, to the week ending June 24, 2022 as is reflected in the May 20 Cash Flow Forecast.
 - c) A provision has been included in the May 20 Cash Flow Forecast for a total of \$35,000 over the weeks ending June 10 and June 17, 2022 to allow for the payment of a small portion of arrears to certain critical suppliers of chemicals and gases to the laboratory, and high priority software. A similar provision is also included in the Updated Cash Flow Forecast for a total of \$50,000 as no amounts have been paid to date that were included in the May 20 Cash Flow Forecast.
 - d) A provision has been included in the May 20 Cash Flow Forecast of \$11,000 in respect of funding for Medipure Croatia to pay for certain legal, utility and wage costs in Croatia. Part of these payments may involve pre-filing arrears but are deemed critical in order to preserve and protect the laboratory and equipment. No payments have been made to date in order to conserve cash and a total amount of approximately \$22,000 is included in the Updated Cash Flow Forecast.
- 36) The Proposal Trustee is of the view that the payments to the employees are justified and necessary in order to ensure the retention of the employees and the continued operations of the Companies in order to preserve and protect the asset value of Medipure, in particular the ongoing development of its products.

- 37) The Proposal Trustee held discussions with Management to determine the critical suppliers and discuss the approach to be taken with vendors who have arrears. Management understands that pre-filing amounts are stayed. The provision of \$35,000 included in the May 20 Cash Flow Forecast is a contingency to cover critical chemicals and gases that may be required at short notice to preserve certain molecules and to allow testing to continue. The Proposal Trustee will monitor any amounts being paid in respect of arrears in both the May 20 Cash Flow Forecast and Updated Cash Flow Forecast and is of the view that this contingency is justifiable given the need to ensure the ongoing business of the Companies.

COMPARISON OF CASH FLOW FORECAST TO ACTUAL

- 38) The actual receipts and disbursements of the Companies from May 7 to June 3, 2022 as compared to the May 20 Cash Flow Forecast are summarized in the following table.

Actual to Forecasted Cash Flow from May 7 to June 3, 2022 CDN\$'000	Total Forecast	Total Actual	Variance (\$)	Variance (%)
Receipts				
HFS Management Inc. loan draws	154	154	(0)	0%
DIP financing	129	-	(129)	-100%
Other misc. receipts	-	-	-	
Total receipts	283	154	(129)	-46%
Operating disbursements				
Office and laboratory lease/rent costs	18	-	(18)	-100%
Payroll, source deductions, benefits and WCB	158	87	(71)	-45%
R&D: project study and trials costs	2	-	(2)	-100%
Critical vendors	-	1	1	
Insurance / equipment rental / storage costs	4	1	(3)	-73%
Other administrative and laboratory costs	14	-	(14)	-100%
Funding of subsidiaries	2	-	(2)	-100%
Total operating disbursements	198	89	(109)	-55%
Other disbursements				
Professional fees	80	65	(15)	-19%
DIP financing interest and fees	2	-	(2)	-100%
FX changes	-	-	-	
Total other disbursements	82	65	(17)	-21%
Net cash flow	3	(0)	(3)	-103%
Opening cash balance	1	0	(0)	-46%
Net cash flow for the week	3	(0)	(3)	-103%
Closing cash balance	4	0	(4)	-95%

- 39) The negative variance of \$129,000 in financing was the result of HFS not advancing the US\$100,000 during the week ended May 27, 2022 (the "**May 27th Funding**") due, in part, to what Management and Boughton indicated were delays caused by the discussions occurring with and the various requirements of the BCSC to obtain a partial revocation order and the DIP financing. The Proposal Trustee understood that the May 27th Funding was going to be received during the week ended June 3, 2022 and, when this did not occur, it issued the Material Adverse Change Report.
- 40) The May 27th Funding was received on June 6, 2022 through the HFS Loan Agreement, and not through any DIP financing, and was for a total of approximately US\$150,000 as

opposed to US\$100,000. These funds converted to approximately CAD\$187,000 and were used to pay the May 20 Payroll Arrears, the June rent for the Companies for \$20,000, employee benefits for \$9,000, a Boughton retainer for \$50,000, a BDO retainer for \$10,000, and other smaller amounts. Other than the Boughton retainer which was projected to be paid later, these payments account for most of the timing variances for the expenses in the above table and will be included in the next comparison of actual versus projected cash flow.

UPDATED CASH FLOW FORECAST

- 41) Management worked with the Proposal Trustee to prepare the Updated Cash Flow Forecast for the period from June 4 to August 12, 2022 (the "**Updated Forecast Period**") using the probable and hypothetical assumptions set out in the notes to the Updated Cash Flow Forecast. The Updated Cash Flow Forecast is summarized below and the detailed Updated Cash Flow Forecast is attached hereto as Appendix "**E**".

Projected Cash Flow from June 4 to August 12, 2022 CDN\$'000	Total Forecast
Receipts	
DIP financing	1,938
Other misc. receipts	-
<i>Total receipts</i>	1,938
Operating disbursements	
Office and laboratory lease/rent costs	35
Payroll, source deductions, benefits and WCB	573
R&D: project study and trials costs	600
Critical vendors	50
Insurance / equipment rental / storage costs	8
Other administrative and laboratory costs	183
Funding of subsidiaries	22
<i>Total operating disbursements</i>	1,472
Other disbursements	
Professional fees	355
DIP financing interest and fees	9
FX changes	-
<i>Total other disbursements</i>	364
Net cash flow	102
Opening cash balance	-
Net cash flow for the period	102
Closing cash balance	102

- 42) The Updated Cash Flow Forecast indicates that Medipure will require total interim financing of up to \$1.9 million to August 12, 2022, of which \$1.4 million (less the US\$150,000 received on June 6, 2022) is required during the Stay Extension Period to

July 25, 2022. These funds are required in order to maintain the Companies' operations in the normal course while it explores alternatives to either refinance and/or restructure its affairs. Receipt of these funds from HFS assumes that the DIP Lender's Charge will be granted and that the payments will be received from HFS as projected. Management is confident that the funds will be received and notes that approximately USD \$520,000 has already been advanced by HFS under the HFS Loan Agreement.

- 43) Management has attempted to be as conservative as possible in estimating the expenses. The more significant disbursements in the Updated Cash Flow include the following:
- a) \$573,000 for salaries and related payroll source deductions for the current employees;
 - b) \$600,000 for R&D costs in order to advance the development of the products;
 - c) \$50,000 for critical vendors; and
 - d) \$183,000 for essential administrative and laboratory costs.
- 44) Based on the Proposal Trustee's review of the Cash Flow Forecast and discussions with Management, there were no material assumptions which seemed unreasonable. The Proposal Trustee expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of the Updated Cash Flow Forecast and readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.

DIP FINANCING

Existing Loan Facility

- 45) At present, Medipure's operations are being financed by way of advances under the HFS Loan Agreement.
- 46) Under the terms of the HFS Loan Agreement, HFS is to provide loans totalling US\$5.75 million to MHI pursuant to promissory notes with a one year maturity date from the date of advance, and accruing interest at 6% per annum.
- 47) We understand from Management that, prior to the Filing Date, HFS provided loans to MHI totalling approximately US\$290,000.
- 48) As a result of Medipure initiating NOI Proceedings, HFS did not advance the US\$500,000 due on May 13, 2022 pursuant to the HFS Loan Agreement. However, a further US\$80,000 was advanced to Medipure on May 16, 2022 and US\$150,000 on June 6, 2022, for a total of US\$230,000 (the "**Post Filing Advances**"), to allow for certain critical payments to be made, including payroll arrears.

Proposed DIP Facility

- 49) The funding to finance this cash need is to be provided by its incumbent lender, HFS, pursuant to the terms of a DIP facility commitment letter in the total amount of up to \$2.4 million (the "**Proposed DIP Facility**"). A copy of the Proposed DIP Facility is attached hereto as Appendix "F".

- 50) In order to provide the required near-term liquidity needed to fund the operations of Medipure during the NOI Proceedings, Medipure is seeking approval of the terms of the Proposed DIP Facility pursuant to which HFS is prepared to provide funding through the NOI Proceedings.
- 51) The material terms of the Proposed DIP Facility have been set out in the application and accompanying affidavit materials filed by Medipure and are not repeated in their entirety herein. However, the Proposal Trustee highlights the following for consideration by this Honourable Court:
- a) Post-filing operating disbursements will be funded by drawing on the DIP Facility which will increase during the pendency of the Updated Forecast Period. The DIP Facility will not be used to pay down the balance owing under the existing HFS Loan Agreement (i.e. pre-filing obligations) but the Proposal Trustee understands that the Post Filing Advances of US\$230,000 are being rolled up into the Proposed DIP Facility;
 - b) A maximum amount of \$2.4 million is to be provided for working capital, including the Post Filing Advances, with the next advance of US\$270,000 to be provided during the week ending June 10, 2022. Subsequent draws may be made in minimum installments of \$100,000 with three business day's notice and only in accordance with the most current cash flow forecast;
 - c) Interest is at a rate of 6% per annum, calculated monthly and in arrears on any amounts disbursed to MHI, and MHI will reimburse HFS for all reasonable and customary legal, professional and other due diligence costs associated with the Proposed DIP Facility;
 - d) The interim loan, including any outstanding principal, interest and fees, becomes fully due and payable upon a date which is the earlier of June 1, 2024 or such further defaults as may be customary in the HFS's form of loan agreement;
 - e) Debt covenants include, among other items, a rolling 13-week cash flow forecast, compliance with the most current cash flow forecast, regular variance and other reporting, and compliance with any Court orders made in the NOI Proceedings;
 - f) Conditions include the following:
 - i) The Companies must seek and obtain from the Court approval of the Proposed DIP Facility and a charge on the Companies' assets that will not secure any obligations other than post-filing draws under the HFS Loan Agreement and the Proposed DIP Facility and such charge will be subordinate to only the Court-ordered Administration Charge (the "**DIP Lender's Charge**"), should this charge be granted by this Honourable Court;
 - ii) The approval of HFS, in writing and in its sole discretion, of each cash flow forecast;
 - iii) The appointment of three additional directors as selected by HFS immediately after a DIP Lender's Charge is granted. While this is an unusual condition, the Proposal Trustee understands that this has been reviewed and approved by the current directors of MHI and MPI and that Dr. Pandey and Mr. Nystrom were only in these positions on a voluntary and temporary basis until more experienced directors could be appointed; and

- iv) Payment of all fees and expenses related to the financing and compliance with all debt covenants.
- 52) The Proposal Trustee has been summarily involved in the discussions surrounding the terms of the Proposed DIP Facility and is of the view that the Proposed DIP Facility is necessary to ensure continuity of operations and financing during the NOI Proceedings.
 - 53) Alternatives to the terms of the Proposed DIP Facility were briefly considered by Management and its advisors but appear less feasible given the potential costs, time and risk of seeking out an alternate lender and the potential for disruption to the underlying business of Medipure should current cash management and banking processes require extensive transformation in order to conform to the requirements of a new lender.
 - 54) The Proposal Trustee has reviewed the Proposed DIP Facility and its terms and conditions. The Proposal Trustee is of the opinion that the terms and conditions are reasonable and consistent with interim financing facilities approved in other similar BIA or *Companies' Creditors' Arrangement Act* proceedings.
 - 55) As outlined previously in this First Report, the Proposal Trustee understands that counsel to the Companies has been in extensive discussions with the BCSC who has indicated that a partial revocation order is not required to allow DIP financing to proceed.
 - 56) In deciding whether to make an order, subsection 50.6(5) of the BIA directs the Court to consider, among other things:
 - a) the period during which the debtor is expected to be subject to proceedings under the BIA;
 - b) how the debtor's business and financial affairs are to be managed during the proceedings;
 - c) whether the debtor's management has the confidence of its major creditors;
 - d) whether the loan would enhance the prospects of a viable proposal being made in respect of the debtor;
 - e) the nature and value of the debtor's property;
 - f) whether any creditor would be materially prejudiced as a result of the security or charge; and
 - g) the trustee's report referred to in paragraph 50(6)(b) or 50.4(2)(b) of the BIA, as the case may be.
 - 57) The Proposal Trustee makes the following observations with respect to the factors outlined above:
 - a) The period during which the Companies will be subject to the NOI Proceedings is somewhat uncertain, and will depend on the timing associated with obtaining revocations of the CTOs and raising additional funds for the continued development of Medipure's products and a proposal to its creditors. The Proposal Trustee understands from the BCSC and BDO that the information required and steps to be taken to obtain a revocation of the CTOs can be lengthy and is currently unknown. The Proposed DIP Facility is estimated by Management to provide sufficient working capital to allow Medipure to continue operations for

approximately two months to see what progress can be made in dealing with the CTOs;

- b) The Company will continue to be operated and managed by the existing Management during the NOI Proceedings and the Updated Cash Flow Forecast has been prepared with a view to preserving liquidity and minimizing overheads while alternative financing sources are sought;
- c) the Proposed DIP Facility and the corresponding DIP Lender's Charge enhance the prospect that the Companies may be able to successfully file a proposal in these NOI Proceedings;
- d) The Proposal Trustee has had some dialogue with Mr. Anderson, the current secured lender. Mr. Anderson reiterated a number of concerns regarding the actions of certain former directors and shareholders of Medipure as alluded to in the Bankruptcy Applications as well as his concerns about the DIP financing being obtained through HFS. Mr. Anderson has not yet confirmed whether he is supportive of providing separate DIP financing on similar terms;
- e) Medipure's primary asset consists of its intellectual property associated with its suite of early stage development drugs, which are very difficult to value, as further detailed in the next section of this First Report. The Companies do need to be properly capitalized in order to ensure the retention of key staff and to try and preserve the value of the Companies' intellectual property;
- f) The Proposal Trustee considered the terms of the DIP Facility and the costs of it to Medipure. The DIP Facility contemplates an interest rate of 6% per annum along with reimbursement to HFS for all reasonable and customary legal, professional and other due diligence costs associated with the Proposed DIP Facility. Given the potential and preliminary realizable value of Medipure's assets is currently uncertain owing to the unique nature of the collateral, and in considering interim financings that have been approved in recent proceedings, the Proposal Monitor considers the costs of the Proposed DIP Facility to be reasonable and it is unlikely that an alternative financing could be arranged with a third party at this cost. In the Proposal Trustee's view, the commercial terms of the Proposed DIP Facility are reasonable and the 6% rate of interest is consistent with the costs of DIP financing facilities approved by Canadian courts in formal insolvency proceedings as reflected in a DIP loan summary schedule prepared by the Insolvency Insider Database as of June 14, 2021, a copy of which is attached hereto as Appendix "G";
- g) The Proposal Trustee believes the Proposed DIP Facility is in the best interests of all of the Companies' stakeholders, including subordinate secured creditors, as the Proposed DIP Facility is integral to fund the costs of Medipure while it seeks revocation orders, to preserve value, and source alternative financing sources;
- h) Absent the Proposed DIP Facility being approved, the Companies would have no ability to continue their operations and would likely be subject to a liquidation sale of its assets, potentially resulting in substantially lower values for creditors;
- i) The Proposal Trustee understands that the Companies intend to use the NOI Proceedings to seek alternative financing, with a view to potentially repaying SHP's secured indebtedness in full, and presenting a plan to the unsecured creditors. While there can be no guarantee that the Companies will be successful in this endeavour, the potential value of Medipure's intellectual property suggests

that this may be possible and that the Proposed DIP Facility should not represent a material prejudice to any creditor as the DIP loan would allow the Companies to preserve their assets and seek a refinancing or sale and thereby enhance the value for the stakeholders; and

- j) The Proposal Trustee reviewed with Management the assumptions underlying the May 20 Cash Flow Forecast and Updated Cash Flow Forecast and there were no material assumptions which seemed unreasonable.
- 58) The Proposal Trustee would therefore support the Companies in seeking approval of the Proposed DIP Facility and the granting of a priority DIP Lender's Charge.

ASSETS OF THE COMPANIES

- 59) The Companies' primary intangible asset relates to the intellectual property associated with its proprietary development drugs. Medipure has not capitalized any intangible asset on its balance sheet since it is required to expense R&D costs in accordance with accounting standards. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Companies intend to and have sufficient resources to complete development and to use or sell the asset. Given the current state of development of Medipure's prospective drugs, the Companies' have not yet capitalized any development costs.
- 60) In April 2021, Medipure was considering raising financing through an initial public offering ("**IPO**"). Scotiabank provided Medipure with its preliminary perspectives on the potential for an IPO, and a copy of this document is attached hereto as Appendix "**H**".
- 61) Scotiabank provided its thoughts on a potential valuation for Medipure and recommended launching an IPO with two active joint bookrunners targeting a US\$1 billion post-money valuation. While Scotiabank did not perform a formal valuation of Medipure and Mr. Anderson has raised several concerns around the report (as outlined in the next paragraph), this may provide only a rough indication of the potential value of the Companies.
- 62) The Proposal Trustee notes that Mr. Anderson has expressed concerns regarding the depth of analysis and quality and accuracy of the information provided to and reviewed by Scotiabank in arriving at their indication of value. Given the inherent risks associated with R&D activities and early-stage development drugs, balanced against the high potential market opportunity if proven effective and safe, the Proposal Trustee recognizes that arriving at a current valuation of the Companies' intellectual property is very difficult and subject to a high degree of uncertainty.
- 63) The Proposal Trustee also understands that recent equity financings with GCB were undertaken at various share prices ranging from US\$2.50 per share (US\$219 million implied post-money equity valuation) and US\$5.00 per share (US\$449 million implied post-money equity valuation) in September 2019 and January 2021, respectively. Mr. Anderson has raised concerns around these valuations and has indicated that share transactions with GCB in June 2020 resulted in approximately 27.0 million MHI shares (after a 3.7113 share split), or 45% of MHI, being sold to GCB for proceeds of US\$2.2 million, or US\$0.08 per share. This results in a much lower post-money equity valuation and the Proposal Trustee understands that these shares were then purportedly resold by GCB to investors for higher amounts. The Proposal Trustee has

not performed any detailed review of these financings and the related terms and conditions and uses of the funds which will be part of the forensic review completed by BDO.

- 64) As regards to tangible assets, Medipure has a potential scientific research and experimental development tax credit of approximately \$458,000, net of consulting fees, owed to it by the Canada Revenue Agency (“**CRA**”). It is not certain if CRA will offset this amount against employee payroll source deductions owed to CRA by Medipure, as further described in the next section.
- 65) The only other significant tangible assets are with Medipure’s wholly owned subsidiary, Medipure Croatia, who owns land, buildings and equipment in Croatia with a net book value of approximately \$2.6 million.

LIABILITIES OF THE COMPANIES

- 66) As previously noted, the Companies’ primary secured creditor is SHP, being owed approximately US\$2.1 million as of the Filing Date, plus interest which continues to accrue.
- 67) The other material unsecured creditors of the Companies include:
 - a) Amounts owing to HFS under the HFS Loan Agreement totalling approximately US\$520,000 (plus interest) of which US\$230,000 for the Post Filing Advances may be rolled into the Proposed DIP Facility;
 - b) Convertible unsecured notes in MHI in the amount of approximately US\$6.6 million. The Proposal Trustee understands that the majority of the noteholders agreed to convert their notes to equity at USD\$0.50 per share in March 2021, but that the shares have not yet been issued due to the CTOs and potential conversion issues;
 - c) Loan notes in MHI owing to GCB in the amount of approximately US\$3.0 million, inclusive of interest;
 - d) Shareholder loans owing to Mr. Boris Weiss (former CEO) and Eagles Ledge Inc. in the amount of approximately \$2.4 million (though this amount is subject to investigations);
 - e) Lease liability in respect of a lease for a second laboratory in Burnaby which was terminated early. It is understood that SHP has acquired a portion of this liability via a claim assignment (approximately \$0.4 million);
 - f) Canada Emergency Business Account loans from the Government of Canada in the amount of \$40,000 in each of MPI and MHI; and
 - g) Amounts owing to vendors of approximately \$16.2 million by MHI and \$4.4 million by MPI.
- 68) In addition, the Proposal Trustee understands that MPI owes CRA approximately \$2.0 million in respect to unpaid employee payroll source deductions penalties and interest, primarily from late 2021. The Proposal Trustee understands that CRA recently initiated a payroll trust audit, but the timing of the completion of the audit and quantification of CRA’s claim is not yet known.

PROPOSED COURT-ORDERED CHARGES

69) The Companies are seeking three Court-ordered charges, as summarized below.

Administration Charge

- 70) The proposed order provides for a charge on the assets, property and undertakings of the Companies in an amount of \$200,000 in respect of the fees and expenses of the Proposal Trustee, legal counsel to the Proposal Trustee, legal counsel to the Companies (the "**Administration Charge**"), and any other professionals whose services may be retained by the Proposal Trustee in these proceedings. The Administration Charge is to be granted in priority to all other Court ordered charges and the potential secured claims of any Personal Property Security Act registrants, and provides security to these professionals in the event that the NOI Proceedings are terminated and such professionals have not been paid in full at the date of termination.
- 71) The Proposal Trustee has considered the factors set out in subsection 64.2(1) of the BIA with respect to the granting of an Administration charge. It is the view of the Proposal Trustee that the quantum of the proposed Administration Charge is reasonable and appropriate in the circumstances, having regard to the scale and complexity of Medipure and the NOI Proceedings, and the size of the charges approved in similar proceedings.
- 72) An administration charge is a common feature in restructuring proceedings. Given the value that may result from an orderly restructuring process and the lack of liquidity in the Companies, the Proposal Trustee is of the view that an Administrative Charge is appropriate to ensure the continued support of the professionals in this process.

D&O Charge

- 73) The proposed order provides for a charge on the assets, property and undertakings of the Companies in an amount not to exceed \$65,000 in favour of the directors and officers of the Petitioners (the "**D&O Charge**"). The D&O Charge sought by the Companies is a second-priority charge to rank in priority to all charges other than the Administration Charge.
- 74) The Proposal Trustee understands that Medipure's directors and officers do not have the benefit of an existing directors and officers liability insurance coverage.
- 75) The amount of the D&O Charge was based on the estimated maximum liability of the directors and officers arising from potential statutory-based obligations for employee-related liabilities that may arise and be payable during the NOI proceedings, calculated in accordance to the provisions of the relevant legislation in the jurisdictions in which the employees work.
- 76) The Proposal Trustee has reviewed the underlying assumptions upon which the Companies have based the estimate of the potential liability in respect of the officers and directors statutory obligations and is of the view that the size of the D&O Charge is reasonable in the circumstances.

DIP Lender's Charge

- 77) The Proposal Trustee understands that the Companies will be seeking a DIP Lender's Charge as part of the order. As set out in the Updated Cash Flow Forecast, the Companies anticipate that draws under the DIP Loan Facility of approximately \$1.94 million (including the US\$150,000 advanced by HFS on June 6, 2022) will be required

during the Updated Cash Flow Forecast Period. If the additional post filing advance of US\$80,000 received on May 16, 2022 is approved to be added to this amount, the DIP Lender's Charge would total approximately \$2.04 million.

- 78) The DIP Lender's Charge would rank only subordinate to the Administration Charge according to the Proposed DIP Facility.
- 79) The Proposal Trustee is of the view that the DIP Lender's Charge represents a necessary and timely financing solution which affords the Companies the opportunity to assess potential restructuring options, it is not unreasonable to expect that obtaining a DIP Lender's Charge would be a condition of the Proposed DIP Facility. In the circumstances, the proposed priority of the DIP Lender's Charge is necessary as no commercially reasonable lender can be expected to provide the financing required by the Companies in the necessary urgent timelines, subordinate to the Companies' existing obligations.

COMPANIES' REQUEST FOR AN EXTENSION

- 80) The Companies are seeking an extension of the stay of proceedings from June 10 to July 25, 2022 to provide for additional time to:
 - a) Take further steps to obtain a partial or full revocation of the CTO with the BCSC;
 - b) Source additional DIP financing with HFS or other parties to continue to fund post-filing obligations and continue the development of its products; and
 - c) Pursue a viable proposal with its creditors.
- 81) The Proposal Trustee support the Companies' request for an extension of the Initial Stay for the following reasons:
 - a) The Companies appear to be acting in good faith and with due diligence;
 - b) A DIP loan, if approved by the Court, will be in place to fund the post-filing costs associated with the NOI Proceedings as projected in the Updated Cash Flow Forecast; and
 - c) Subject to further evaluation, there may be value for the unsecured creditors and a potential viable plan.

CONCLUSION AND RECOMMENDATION

- 82) Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the relief sought by the Companies.

All of which is respectfully submitted to this Honourable Court this 8th day of June, 2022.

DELOITTE RESTRUCTURING INC.

In its capacity as Proposal Trustee of
Medipure Holdings Inc. and Medipure Pharmaceuticals Inc.
and not in its personal or corporate capacity

A handwritten signature in blue ink, appearing to read "Jeff Keeble". The signature is stylized with a large initial "J" and a long horizontal stroke.

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice-President

Appendix A

Material Adverse Change Report and Cover Letter



Deloitte Restructuring Inc.
939 Granville Street
Vancouver BC V6Z 1L3
Canada

Tel: 604-235-5089
Fax: 604-602-1583
www.deloitte.ca

June 6, 2022

TO THE CREDITORS OF MEDIPIRE PHARMACEUTICALS INC. AND MEDIPIRE HOLDINGS INC.

Re: In the Matter of the Notices of Intention to Make a Proposal of Medipure Pharmaceuticals Inc. and Medipure Holdings Inc.

Material Adverse Change Report of the Proposal Trustee Pursuant to Section 50.4(7) of the Bankruptcy and Insolvency Act

Take notice that the enclosed material adverse change report (the "**Report**") was issued by Deloitte Restructuring Inc. on June 3, 2022 in its capacity as proposal trustee (the "**Proposal Trustee**") under the Notices of Intention to File a Proposal filed by Medipure Pharmaceuticals Inc. ("**MPI**") and Medipure Holdings Inc. ("**MHI**", together with MPI, "**Medipure**" or the "**Companies**") on May 11, 2022 pursuant to Part III, Division I of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

Subsequent to the issuance of the Report, the Proposal Trustee received confirmation from Medipure that the Companies received USD \$149,983 in funds on June 6, 2022.

The Proposal Trustee was also provided with a letter from the BC Securities Commission ("**BCSC**") to MHI dated June 3, 2022, after the Report issuance date, that the BCSC does not require Medipure to seek relief from the terms of the November 2015 Cease Trade Order for purposes of seeking Court approval of a debtor in possession ("**DIP**") loan. The Proposal Trustee understands that Medipure will be making an application to Court to apply for approval of a DIP loan shortly.

Additional information with respect to these proceedings can be found in our website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Medipure-Pharmaceuticals-Inc-and-Medipure-Holdings-Inc.aspx>.

Should you have any questions regarding these proceedings, please do not hesitate to contact Mr. Jordan Yin at (604) 640-5089.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as Trustee under the Notice of Intention to Make a Proposal of Medipure Holdings Inc. and Medipure Pharmaceuticals Inc. and not in its personal capacity.

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice President

Enclosure



Court File Nos. B220220 and B220221
Vancouver Registry
Estate Numbers 11-2829780 and 11-2829781

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF MEDIPURE PHARMACEUTICALS INC. AND MEDIPURE HOLDINGS INC.

**MATERIAL ADVERSE CHANGE REPORT OF THE PROPOSAL TRUSTEE
PURSUANT TO SECTION 50.4(7) OF THE BANKRUPTCY AND INSOLVENCY ACT**

DELOITTE RESTRUCTURING INC.

JUNE 3, 2022

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APPENDICES

Appendix A – Cash Flow Forecast for the Period of May 7 to June 17, 2022 and
Management's Report on Cash Flow

INTRODUCTION

- 1) This material adverse change report (the "**Report**") has been prepared by Deloitte Restructuring Inc. ("**Deloitte**") in its capacity as proposal trustee (the "**Proposal Trustee**") under the Notices of Intention to File a Proposal ("**NOIs**") filed by Medipure Pharmaceuticals Inc. ("**MPI**") and Medipure Holdings Inc. ("**MHI**", together with MPI, "**Medipure**" or the "**Companies**") on May 11, 2022 (the "**Filing Date**") pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"). The proceedings in which the Proposal Trustee was appointed are referred to herein as the "**NOI Proceedings**".
- 2) As a result of filing the NOIs, the Companies were each granted an automatic 30-day stay of proceedings pursuant to Section 69(1) of the BIA (the "**Initial Stay**"). The Companies are required to file a proposal within the Initial Stay or within any further extension of the Initial Stay as granted by the Supreme Court of British Columbia (the "**Court**").
- 3) The Proposal Trustee sent notice of the NOI's to all of the known creditors of the Companies on May 17, 2022.
- 4) Medipure's management ("**Management**") worked with the Proposal Trustee to prepare a cash flow forecast (the "**Cash Flow Forecast**") for the Companies for the period from May 7 to June 17, 2022 (the "**Forecast Period**") using the probable and hypothetical assumptions set out in the notes to the Cash Flow Forecast. The Cash Flow Forecast was filed with the Office of the Superintendent of Bankruptcy on May 20, 2022. The Cash Flow Forecast, together with Management's Report on the Cash Flow Statement as required by subsection 50.4(2)(c) of the BIA, are attached hereto as Appendix "**A**".

PURPOSE

- 5) The purpose of this Report is to provide the creditors and this Honourable Court with:
 - a) information and notice, pursuant to Section 50.4(7) of the BIA, regarding a material adverse change in the projected cash-flow and financial circumstances of the Companies; and
 - b) the Proposal Trustee's intended course of action.

TERMS OF REFERENCE

- 6) In preparing this Report, the Proposal Trustee has relied upon unaudited financial and other information supplied, and representations made to it, by Management and the Companies' legal counsel. Although this information has been reviewed, Deloitte has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management or otherwise provided by the Companies in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook*. Accordingly, Deloitte expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in, or otherwise used to prepare this Report.
- 7) Certain of the information referred to in this Report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and projections and procedures as outlined by the *Chartered Professional Accountants of Canada* has not been performed. Readers are cautioned that since

financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.

- 8) All monetary amounts contained in this Report are expressed in Canadian dollars, unless otherwise indicated.
- 9) Information in respect of the NOI Proceedings are posted on the Proposal Trustee's website at www.insolvencies.deloitte.ca/en-ca/Pages/Medipure.

BACKGROUND

- 10) MHI was incorporated under the *Business Corporations Act* of British Columbia ("**BCBCA**") on June 20, 2014. MPI was incorporated under the BCBCA on February 12, 2014. MPI is a wholly owned subsidiary of MHI.
- 11) MHI also has two other wholly owned subsidiaries that are not subject to these NOI Proceedings:
 - a) Medipure Life Sciences India Pvt Ltd ("**Medipure India**"). Established in February 2018, Medipure India operates a research and development ("**R&D**") laboratory in Hyderabad, India. Medipure India was set-up to run preclinical and clinical drug trials in India's more streamlined regulatory system.
 - b) Medipure D.o.o. ("**Medipure Croatia**"). Established in May 2018, Medipure Croatia owns and operates a 34,000 square foot R&D facility in Ludbreg, Croatia. Medipure Croatia was formed to utilize the European Union's R&D and clinical trial platform, while achieving faster approval times for studies.
- 12) The Proposal Trustee understands that each of the Companies currently have three directors, Mr. Lorne Nystrom, Mr. Daniel L. Gelinias, and Dr. Nihar Pandey.
- 13) MHI became a reporting issuer on November 7, 2014, trading on the Canadian Securities Exchange under the symbol "MDH". On November 4, 2015, MHI was issued a cease trade order ("**CTO**") by the British Columbia Securities Commission ("**BCSC**") as a result of MHI's failure to file continuous disclosure materials, and was subsequently delisted in August 2016. MHI is currently subject to CTOs in the provinces of British Columbia, Alberta and Ontario.
- 14) The Computershare listing for MHI indicates that approximately 41% of the MHI shares are held by GCB Capital LLC ("**GCB**") with the remaining shares being widely held by several US and Canada-based investors. The principal of GCB is Mr. Chris Condon. The Proposal Trustee understands that there may be unissued or disputed MHI shareholdings as a result of the CTOs and other matters, but the Proposal Trustee has not reviewed these issues in any detail to date.
- 15) The Companies are engaged in biopharmaceutical R&D with a focus on developing proprietary endocannabinoid system-based prescription drugs. Medipure is currently developing a suite of drugs targeting specific disease areas including pain management, mood disorder, anxiety, nausea, appetite, oncology, arthritis, dermatology and fatty liver disease.
- 16) Medipure's R&D centre is located in Burnaby, BC. MPI holds a Level 6 Dealer's License for Controlled Substances pursuant to the *Controlled Drugs and Substances Act*. This license allows Medipure to use various controlled substances for its pharmaceutical R&D activities. The research team is led by Dr. Pandey, Medipure's Chief Scientific

Officer. Medipure has a total of 17 employees, including Dr. Pandey, who provide scientific, financial and administrative support for the operations and are considered a key part of the value of the Companies.

- 17) Medipure's drug candidates are at various stages of development and testing. The Companies' currently have no revenues and have operated at a loss since inception. Without revenues, Medipure has relied on equity and debt financing to fund its operations.
- 18) The Companies' consolidated unaudited and draft financial statements for the year ended March 31, 2022 indicate a comprehensive loss of \$7.4 million, with an accumulated deficit of \$36.0 million since inception.
- 19) As a result of the CTOs, Medipure has been restricted from raising additional capital to fund its operations. The Companies' have a substantial working capital deficiency and began to experience liquidity issues in late 2021.
- 20) The Companies' principal secured creditor is SHP Capital LLC ("**SHP**"), which the Proposal Trustee understands is owed approximately US\$2.1 million, plus interest and costs, under a senior secured promissory note dated October 21, 2021. SHP is also a shareholder in MHI, having contributed approximately US\$8.4 million in the later half of 2021 pursuant to certain stock purchase agreements.
- 21) On or around March 2022, Medipure held discussions with SHP to seek additional financing for its operations. The Proposal Trustee understands that SHP proposed providing additional funding largely via additional secured loan notes and preferred shares at a significant cost.
- 22) As a result of the significant cost associated with the funding offer from SHP and an alternative financing agreement from HFS Management Inc. ("**HFS**") that the Proposal Trustee understands was received just before a March 2022 MHI board meeting, the MHI board accepted the HFS financing proposal over the proposal provided by SHP. The Proposal Trustee understands that Mr. Condon is involved with HFS and is, or will be, the principal party providing the funding. HFS has advanced a total of USD \$370,000 to the Companies since April 2022, including the May 20th Funding (as defined later herein).
- 23) On April 5, 2022, SHP filed a petition in the Court seeking, among other things, the appointment of a receiver-manager under section 227(3)(c) of the BCBCA. The Proposal Trustee understands that this action did not advance and on May 2, 2022, SHP filed an application for a bankruptcy order in respect of the Companies, with a hearing date set for May 13, 2022 (the "**May 13 Bankruptcy Application**"). The Companies' filed the NOIs prior to the hearing date for the May 23 Bankruptcy Application in an effort to stay the action and to try and preserve value and maximize recoveries for their stakeholders. SHP has raised concerns around Medipure not meeting the funding requirements outlined in the Cash Flow Forecast and has now reset the May 13 Bankruptcy Application to June 7, 2022.
- 24) The Proposal Trustee understands that there were a number of events related to SHP and other shareholders, including GCB, Mr. Condon and the former Chief Executive Officer, Mr. Boris Weiss, which lead to the NOI Proceedings. In the May 13 Bankruptcy Application materials, SHP and Mr. Craig Anderson (the principal and sole manager of SHP) make various allegations related to improper financing activities and mismanagement of the Companies. The Proposal Trustee has not investigated these allegations and is not able comment on their veracity at this time.

- 25) Medipure engaged Boughton Law Corporation ("**Boughton**") to assist them before and during the NOI Proceedings.
- 26) During the Initial Stay, Medipure has also engaged separate legal counsel, Farris LLP ("**Farris**"), who has been in discussions with the BCSC, along with Boughton, to seek the partial revocation of the CTOs to, among other things, allow the Companies to secure debtor in possession ("**DIP**") financing. A formal partial revocation application to the BCSC was made by Farris on behalf of Medipure on June 1, 2022 (the "**Partial Revocation Application**"). The Proposal Trustee understands that a special committee of the Board of Directors has been recently re-established to address the BCSC's concerns and that BDO Dunwoody LLP has been engaged to complete a related forensic audit. The timing of when this Partial Revocation Application will be reviewed or responded to by the BCSC is not yet known.
- 27) The Proposal Trustee understands that Medipure has continued to explore their options to refinance and/or restructure its debts and has secured a commitment letter from HFS for DIP financing, with a DIP financing application planned to be made to Court during the week ending June 10, 2022.

MATERIAL ADVERSE CHANGE

- 28) The Cash Flow Forecast projected that HFS would advance US\$80,000 to Medipure during the week ended May 20, 2022 (the "**May 20th Funding**") and US\$100,000 during the week ended May 27, 2022 (the "**May 27th Funding**"). The May 20th Funding was received on May 16, 2022, but the May 27th Funding has not been received as of the date of this Report.
- 29) Management and Boughton have indicated that HFS has not yet advanced the May 27th Funding due, in part, to delays caused by the discussions occurring with and the various requirements of the BCSC to obtain a partial revocation order.
- 30) The funding shortfall has resulted in material employee wage arrears as follows:
 - a) Arrears of payroll and related WorkSafe BC and payroll source deductions for 17 employees for the two week period ended May 13, 2022 which was due and payable on May 20, 2022 in the amount of approximately \$84,000, plus arrears of wages in a further amount of approximately \$20,000 owing to Dr. Pandey and Mr. Walia (VP of Finance) relating to pay periods from March to May 2022 which were deferred due to the Companies' liquidity issues. Dr. Pandey and Mr. Walia agreed to defer payment of a further \$14,000 of their May 13, 2022 payroll to the week ending June 24, 2022 as is reflected in the Cash Flow Forecast; and
 - b) Arrears of payroll and related benefits and payroll source deductions for 17 employees for the two week period ended May 27, 2022 which are due and payable on June 3, 2022 but scheduled to be paid during the week ended June 10, 2022 in the Cash Flow Forecast in the amount of approximately \$99,000.
- 31) In addition, as a result of the funding shortfall, the Companies are unable to pay rent for the head office and laboratory totalling approximately \$18,000, which was due on June 1, 2022.
- 32) The Proposal Trustee is concerned regarding the ongoing payment of the employees and other post-filing obligations and the timing of when, and if, additional funds will be received by the Companies. If the DIP application is not successful or further delays occur, the arrears will continue to accrue. Management has indicated that the

employees have been informed about the funding status and that, while they remain patient and loyal, more delays will create more frustration.

- 33) Based on the foregoing, the Proposal Trustee has ascertained that there is a material adverse change in the Companies' circumstances which has or will result in:
- a) A significant adverse effect on the projected cash-flow;
 - b) A significant or reasonably expected significant impairment to the Companies' financial circumstances and the ability of Medipure to carry on operations; and
 - c) A significant impairment to the likelihood of success of a proposal.

PROPOSAL TRUSTEE'S INTENDED COURSE OF ACTION

- 34) The Proposal Trustee is of the view that a material adverse change has occurred in the Companies' projected cash-flow and financial circumstances pursuant to section 50.4(7)(b) of the BIA.
- 35) It is the Proposal Trustee's intended course of action to:
- a) File this Report with the Court and the Official Receiver without delay pursuant to subsection 50.4(7)(b)(i) of the BIA;
 - b) Distribute this Report to all known creditors of the Company and make it available on the Proposal Trustee's website, pursuant to subsection 50.4(7)(c) of the BIA; and
 - c) Continue to monitor the cash-flows and financial circumstances of the Companies', particularly with respect to the Companies progress in obtaining interim and DIP financing and the partial revocation of the CTOs.

All of which is respectfully submitted to this Honourable Court this 3rd day of June, 2022.

DELOITTE RESTRUCTURING INC.

In its capacity as Proposal Trustee of
Medipure Holdings Inc. and Medipure Pharmaceuticals Inc.
and not in its personal or corporate capacity



Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice-President

Appendix A

Cash Flow Forecast for the Period of May 7 to June 17, 2022 and Management's Report on Cash Flow

Medipure Holdings Inc. and Medipure Pharmaceuticals Inc.
Projected Cash Flow Statement
For the Period Ending June 17, 2022
CDN\$'000
Page 1 of 2

Court File No. _____
 Vancouver Registry
 Estate No. (MPI) 11-2829780
 Estate No. (MHI) 11-2829781

	Week #	1	2	3	4	5	6	Total
	Week Ending	13-May	20-May	27-May	03-Jun	10-Jun	17-Jun	
Receipts								
HFS Management Inc. loan draws		52	102	-	-	-	-	154
DIP financing		-	-	129	-	413	-	542
Other misc. receipts		-	-	-	-	-	-	-
Total receipts		52	102	129	-	413	-	696
Operating disbursements								
Office and laboratory lease/rent costs		-	-	-	18	-	-	18
Payroll, source deductions, benefits and WCB		-	87	71	-	99	81	337
R&D: project study and trials costs		-	-	2	-	32	1	35
Critical vendors		-	-	-	-	20	15	35
Insurance / equipment rental / storage costs		-	1	1	2	-	1	5
Other administrative and laboratory costs		-	-	14	-	23	16	53
Funding of subsidiaries		-	-	2	-	1	7	11
Total operating disbursements		-	88	90	20	174	121	493
Other disbursements								
Professional fees		50	15	15	-	75	-	155
DIP financing interest and fees		-	-	2	-	-	-	2
FX changes		-	-	-	-	-	-	-
Total other disbursements		50	15	17	-	75	-	157
Net cash flow		2	(1)	22	(20)	164	(121)	46
Opening cash balance		1	2	2	23	4	167	1
Net cash flow for the week		2	(1)	22	(20)	164	(121)	46
Closing cash balance		2	2	23	4	167	46	46

Medipure Holdings Inc. and Medipure Pharmaceuticals Inc.

Raman Walia

Per: Raman Walia, VP Finance

Date: May 20, 2022

Deloitte Restructuring Inc. - Proposal Trustee

JKaeb

Per: Jeff Kaebler, Senior Vice President

Date: May 20, 2022

Medipure Holdings Inc. and Medipure Pharmaceuticals Inc.

Projected Cash Flow Statement

For the Period Ending June 17, 2022

CDN\$'000

Page 2 of 2

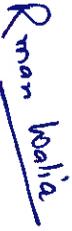
Court File No. _____
Vancouver Registry
Estate No. (MPI) 11-2829780
Estate No. (MHI) 11-2829781

Key Assumptions

- 1) This cash flow has been prepared on a consolidated basis as Medipure Holdings Inc. ("MHI") owns 100% of Medipure Pharmaceuticals Inc. ("MPI", collectively with MHI, "Medipure") and provides funding for MPI to operate and pay most of the operating costs which are in the name of MPI.
- 2) Medipure intends to apply for Court for approval of a DIP Loan Facility which is still being finalized. Required draws on the DIP Loan Facility have been estimated and would be subject to approval of the DIP Loan Facility by the Court.
- 3) Medipure expects to receive ~\$458k in SRCD refunds (net of consulting fees) in June. For prudence, this amount has not been included in the forecast as CRA may have a right of offset.
- 4) All obligations incurred after the date of the NOI will be paid in the regular course.
- 5) Rent costs are in respect of Medipure's corporate office in North Vancouver, and its laboratory at BCI in Burnaby.
- 6) Medipure intends to apply to Court for the approval of outstanding wages and source deductions in the amount of ~\$172k. Wages will then be paid in the regular course through the stay period.
- 7) R&D costs are deferred to the extent possible to manage liquidity during the stay period.
- 8) Medipure intends to apply to Court for the approval to pay certain pre-appointment arrears related to critical suppliers for the laboratory.
- 9) Cash flow includes minimal funding of MHI's subsidiary in Croatia. It is assumed that MHI's subsidiary in India will not require funding as it has sufficient funds on hand during the stay period.
- 10) Professional fees include the costs of the Proposal Trustee and its counsel, restructuring and securities counsel to the Company and the costs of audits required to remove the Cease Trade Orders.
- 11) Amounts included in the cash flow are shown in CAD. USD transactions are assumed to be at an exchange rate of 1.29.

Medipure Holdings Inc. and Medipure Pharmaceuticals Inc.

Deloitte Restructuring Inc., Proposal Trustee


Raman Wallia

Per: Raman Wallia, VP Finance

Date: May 20, 2022



Per: Jeff Keeble, Senior Vice President

Date: May 20, 2022

District of: British Columbia
Division No. 03 – Vancouver
Court No.
Estate No. 11-2829781

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of:
Medipure Holdings Inc.
of the City of Vancouver, in the Province of British Columbia

The management of Medipure Holdings Inc., has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent debtor, as of the 20th day of May 2022, consisting of a weekly cash flow forecast for the period of May 9 to June 17, 2022.

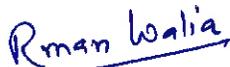
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

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

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of May 2022.

Medipure Holdings Inc.



Per: Rman Walia, Executive Vice President, Finance

District of: British Columbia
Division No. 03 – Vancouver
Court No.
Estate No. 11-2829781

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of:
Medipure Holdings Inc.
of the City of Vancouver, in the Province of British Columbia

Purpose:

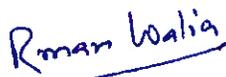
The purpose of the Cash Flow Statement for the period of May 9, 2022 to June 17, 2022 is to enable the creditors of Medipure Holdings Inc. to assess their position with respect to the filing of a Notice of Intention to make a Proposal under Section 50.4(1) of the Bankruptcy and Insolvency Act.

Assumptions:

- 1) This cash flow has been prepared on a consolidated basis as Medipure Holdings Inc. ("MHI") owns 100% of Medipure Pharmaceuticals Inc. ("MPI", collectively with MHI, "Medipure") and provides funding for MPI to operate and pay most of the operating costs which are in the name of MPI.
- 2) Medipure intends to apply for Court for approval of a DIP Loan Facility which is still being finalized. Required draws on the DIP Loan Facility have been estimated and would be subject to approval of the DIP Loan Facility by the Court.
- 3) Medipure expects to receive ~\$458k in SRED refunds (net of consulting fees) in June. For prudence, this amount has not been included in the forecast as CRA may have a right of offset.
- 4) All obligations incurred after the date of the NOI will be paid in the regular course.
- 5) Rent costs are in respect of Medipure's office in North Vancouver, and its laboratory at BCIT in Burnaby.
- 6) Medipure intends to apply to Court for the approval of outstanding wages and source deductions in the amount of ~\$172k. Wages will then be paid in the regular course through the stay period.
- 7) R&D costs are deferred to the extent possible to manage liquidity during the stay period.
- 8) Medipure intends to apply to Court for the approval to pay certain pre-appointment arrears related to critical suppliers for the laboratory.
- 9) Cash flow includes minimal funding of MHI's subsidiary in Croatia. It is assumed that MHI's subsidiary in India will not require funding as it has sufficient funds on hand during the stay period.
- 10) Professional fees include the costs of the Proposal Trustee and its counsel, restructuring and securities counsel to the Company and the costs of audits required to remove the Cease Trade Orders.
- 11) Amounts included in the cash flow are shown in CAD. USD transactions are assumed to be at an exchange rate of 1.29.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of May, 2022.

Medipure Holdings Inc.



Per: Rman Walia, Executive Vice President, Finance

District of: British Columbia
Division No. 03 – Vancouver
Court No.
Estate No. 11-2829780

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of:
Medipure Pharmaceuticals Inc.
of the City of Vancouver, in the Province of British Columbia

Purpose:

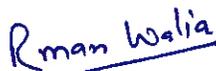
The purpose of the Cash Flow Statement for the period of May 9 to June 17, 2022 is to enable the creditors of Medipure Pharmaceuticals Inc. to assess their position with respect to the filing of a Notice of Intention to make a Proposal under Section 50.4(1) of the *Bankruptcy and Insolvency Act*.

Assumptions:

- 1) This cash flow has been prepared on a consolidated basis as Medipure Holdings Inc. ("MHI") owns 100% of Medipure Pharmaceuticals Inc. ("MPI", collectively with MHI, "Medipure") and provides funding for MPI to operate and pay most of the operating costs which are in the name of MPI.
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- 5) Rent costs are in respect of Medipure's office in North Vancouver, and its laboratory at BCIT in Burnaby.
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- 10) Professional fees include the costs of the Proposal Trustee and its counsel, restructuring and securities counsel to the Company and the costs of audits required to remove the Cease Trade Orders.
- 11) Amounts included in the cash flow are shown in CAD. USD transactions are assumed to be at an exchange rate of 1.29.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of May, 2022.

Medipure Pharmaceuticals Inc.



Per: Rman Walia, Executive Vice President, Finance

District of: British Columbia
Division No. 03 – Vancouver
Court No.
Estate No. 11-2829780

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of:
Medipure Pharmaceuticals Inc.
of the City of Vancouver, in the Province of British Columbia

The management of Medipure Pharmaceuticals Inc., has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent debtor, as of the 20th day of May 2022, consisting of a weekly cash flow forecast for the period of May 9 to June 17, 2022.

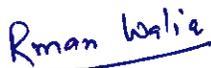
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

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

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of May 2022.

Medipure Pharmaceuticals Inc.



Per: Rman Walia, Executive Vice President, Finance

Appendix B

Commercial loan agreement entered into between MHI and HFS as of April 7, 2022

COMMERCIAL LOAN AGREEMENT

This Commercial Loan Agreement (“**Agreement**”) is entered into as of April 7, 2022 (the “**Effective Date**”) between, on the one hand HFS Management Inc.. (“**HFS**”) and Medipure Holdings Inc. (“**Medipure**”). HFS and Medipure are each referred to as a “**Party**” and, together, as the “**Parties**”.

The Parties hereby agree as follows:

WHEREAS, HFS is offering to provide loans to Medipure and Medipure desires to enter into such loans on the terms described herein;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter contained, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Loan Amounts. HFS shall provide loans to Medipure, using the form of Note attached hereto on the following dates:

April 8, 2022	\$150,000
April 25, 2022	\$100,000
May 13, 2022	\$500,000
July 18, 2022	\$5,000,000

Section 2. Board Appointments. Upon the advance of the May 13, 2022 tranche, HFS shall be able to name one member to Medipure’s Board of Directors who shall serve as an observer until he/she can be officially named to the Board of Directors. Upon the advance of the July 18, 2022 tranche, HFS shall be able to name one additional member to Medipure’s Board of Directors who shall serve as an observer until he/she can be officially named to the Board of Directors.

Section 3. Proceeds. Any proceeds advanced under this loan agreement are subject to receiving a partial-revocation of the existing cease trade order, if necessary.

Section 4. Miscellaneous

- a) *Expenses.* Each of the parties hereto shall bear its respective expenses incurred or to be incurred in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.
- b) *Integration, Modification and Waiver.* This Agreement, together with the other documents contemplated hereby, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements. No supplement, modification or amendment of this Agreement will be binding unless executed in writing by each of the parties’ duly authorized representatives hereto. The rights and obligations of the parties hereunder may not be assigned without the prior written consent of the other party hereto.
- c) *Notices.* All notices and other communications required or permitted hereunder must be in writing and will be deemed to have been duly given when delivered in person, or when dispatched by electronic mail or the next business day after having been dispatched by an internationally recognized courier service to the appropriate party at the address specified on the signature pages.
- d) *Governing Law and Jurisdiction.* This Agreement and the rights and obligations of the parties hereunder shall be construed pursuant to the laws of Canada, and British Columbia.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

HFS Management Inc.

Diana Temple

Medipure Holdings Inc.

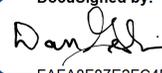
DocuSigned by:

ED2E091E47614EE...

Lorne Nystom

DocuSigned by:
Nihar Pandey
42899AC751B44E6...

Dr. Nihar Pandey

DocuSigned by:

FAFA8F87E2FC4BE...

Daniel Gelinas

PROMISSORY NOTE

Principal Amount: \$ _____), 2022

Medipure Holdings Inc., a British Columbia corporation (“Maker”), promises to pay to the order of HFS Management Inc., a Nevada corporation, or its registered assigns or successors in interest or order (“Payee”), the principal sum of \$__\$5.75M plus interest in lawful money of the United States of America, on the terms and conditions described below. All payments on this Note shall be made by check or wire transfer of immediately available funds to such account as Payee may from time to time designate by written notice in accordance with the provisions of this Note.

1. Repayment. The principal balance of this Note shall be payable one year from the date of the Promissory Note (such date, the “Maturity Date”).

2. Interest. This Note shall accrue interest at 6% per annum.

3. Application of Payments. All payments received by Payee pursuant to this Note shall be applied first to the payment in full of any costs incurred in the collection of any sum due under this Note, including (without limitation) reasonable attorney’s fees, then to interest, and finally to the reduction of the unpaid principal balance of this Note.

4. Events of Default. The following shall constitute an event of default (“Event of Default”):

(a) Failure to Make Required Payments. Failure by Maker to pay the principal amount due pursuant to this Note within five (5) business days of the Maturity Date.

(b)

5. Remedies.

(a) Upon the occurrence of an Event of Default specified in Section 4(a) hereof, Payee may, by written notice to Maker, declare this Note to be due immediately and payable, whereupon the unpaid principal amount of this Note and all other amounts payable hereunder, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the documents evidencing the same to the contrary notwithstanding.

(b) Upon the occurrence of an Event of Default specified in Sections 4(b) and 4(c) hereof, the unpaid principal balance of this Note and all other amounts payable hereunder, shall automatically and immediately become due and payable, in all cases without any action on the part of Payee.

6. Waivers. Maker and all endorsers and guarantors of, and sureties for, this Note waive presentment for payment, demand, notice of dishonor, protest, and notice of protest with regard to this Note, all errors, defects and imperfections in any proceedings instituted by Payee under the terms of this Note, and all benefits that might accrue to Maker by virtue of any present or future

laws exempting any property, real or personal, or any part of the proceeds arising from any sale of any such property, from attachment, levy or sale under execution, or providing for any stay of execution, exemption from civil process, or extension of time for payment; and Maker agrees that any real or personal property that may be levied upon pursuant to a judgment obtained by virtue hereof, on any writ of execution issued hereon, may be sold upon any such writ in whole or in part in any order desired by Payee.

7. Unconditional Liability. Maker hereby waives all notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note, and agrees that its liability shall be unconditional, without regard to the liability of any other party, and shall not be affected in any manner by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Payee, and consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Payee with respect to the payment or other provisions of this Note, and agrees that additional makers, endorsers, guarantors, or sureties may become parties hereto without notice to Maker or affecting Maker's liability hereunder.

8. Notices. All notices, statements or other documents which are required or contemplated by this Note shall be: (i) in writing and delivered personally or sent by first class registered or certified mail, overnight courier service or facsimile or electronic transmission to the address designated in writing, (ii) by facsimile to the number most recently provided to such party or such other address or fax number as may be designated in writing by such party and (iii) by electronic mail, to the electronic mail address most recently provided to such party or such other electronic mail address as may be designated in writing by such party. Any notice or other communication so transmitted shall be deemed to have been given on the day of delivery, if delivered personally, on the business day following receipt of written confirmation, if sent by facsimile or electronic transmission, one (1) business day after delivery to an overnight courier service or five (5) days after mailing if sent by mail.

9. Construction. THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF CANADA AND BRITISH COLUMBIA,.

10. Severability. Any provision contained in this Note which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11. Amendment; Waiver. Any amendment hereto or waiver of any provision hereof may be made with, and only with, the written consent of Maker and Payee.

12. Assignment. No assignment or transfer of this Note or any rights or obligations hereunder may be made by any party hereto (by operation of law or otherwise) without the prior written consent of the other party hereto and any attempted assignment without the required consent shall be void; provided, however, that the foregoing shall not apply to an affiliate of Payee who agrees to be bound to the terms of this Note.

[Signature Page Follows]

IN WITNESS WHEREOF, Maker, intending to be legally bound hereby, has caused this Note to be duly executed by the undersigned as of the day and year first above written.

MEDIPURE HOLDINGS INC.

DocuSigned by:

By: ED2E091E47614EE...

DocuSigned by:
Nihar Pandey
42899AC751B44E6...

DocuSigned by:

FAFA8F87E2FC4BE...

Name:

Title:

Appendix C

Notice to Creditors



Deloitte Restructuring Inc.
939 Granville Street
Vancouver BC V6Z 1L3
Canada

Tel: 604-235-5089
Fax: 604-602-1583
www.deloitte.ca

May 16, 2022

TO THE CREDITORS OF MEDIPURE HOLDINGS INC.

**Re: In the Matter of the Notice of Intention
to Make a Proposal Filed by Medipure Holdings Inc.**

Take notice that Medipure Holdings Inc. ("**MHI**") has filed a Notice of Intention to Make a Proposal ("**NOI**") under subsection 50.4(1) of the *Bankruptcy and Insolvency Act*. The effective date of the NOI is May 11, 2022 and Deloitte Restructuring Inc. has been named as Trustee under the NOI.

The effect of filing an NOI is an automatic stay against all creditors from commencing any actions against MHI. MHI has 30 days within which to file a Proposal to its creditors, or seek an extension from the Supreme Court of British Columbia of the time within which to file a Proposal.

Enclosed with this letter are the following documents for your records:

- A copy of the NOI;
- A list of known creditors with debts greater than \$250 as at the effective date of filing;
- Certificate of Filing of a NOI issued by the Official Receiver; and
- Consent of the Trustee.

Until a Proposal is filed with the Official Receiver, it is not necessary for creditors to file Proof of Claim forms.

Additional information with respect to these proceedings including a copy of a Proposal, if and once formulated, would be mailed to all creditors and posted to our website at <http://www.insolvencies.deloitte.ca/en-ca/medipure>.

Should you have any questions regarding these proceedings, please do not hesitate to contact Mr. Jordan Yin at (604) 640-5089.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as Trustee under the Notice of Intention to Make a Proposal
of Medipure Holdings Inc.
and not in its personal capacity

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Trustee

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2829781

FORM 33
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

Take notice that:

1. I, Medipure Holdings Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Deloitte Restructuring Inc. of 939 Granville Street, Vancouver, British Columbia, V6Z 1L3, Canada, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Vancouver in the Province of British Columbia, this 11th day of May 2022.



Medipure Holdings Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2829781

FORM 33
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Notice of Intention to make a proposal of
 Medipure Holdings Inc.
 of the City of Vancouver, in the Province of British Columbia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
A Sean Eilers			1,288,780.82
ACM Management Inc...	220 - 333 Terminal Ave Vancouver BC V6A 4C1		40,545.49
Boughton Law Corporation	595 Burrard St #700 Vancouver BC V7X 1S8		25,709.64
Bradley Associates			1,299,732.88
Climate Change Investigation, Innovation and Investment Company, LLC			2,058,202.74
Computershare	100 University Ave. 11th Floor Toronto ON M5J 2Y1		1,290.85
DLA Piper	Suite 2800, Park Place, 666 Burrard St Vancouver BC V6C 2Z7		8,616.68
Doug Coupe LLC	2413 Louisville Street Daniel Island SC 29492 USA		14,950.00
Dr. Gerald W. Zamponi	University of Calgary, Department of Physiology and Pharmacology, 3330 Hospital Dr. NW Calgary AB T2N 4N1		51,282.64
DuMoulin Black LLP	10th Floor, 595 Howe Street BC BC V6C 2T5		36,254.24
EA Trust			1,048,975.34
Export Development Canada (CEBA Loan)	1055 Dunsmuir Street Suite 400 Vancouver BC V7X 1G4		40,000.00
GCB Capital LLC	4730 S. Fort Apache Rd, Suite 300 Las Vegas NV 89147 USA		3,935,603.85
GCB Capital LLC (Assigned Convertible Notes)	4730 S. Fort Apache Rd, Suite 300 Las Vegas NV 89147 USA		898,181.05
GOK Enterprises Inc			264,762.58
Guozhen Li			719,323.84

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2829781

FORM 33
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Notice of Intention to make a proposal of
 Medipure Holdings Inc.
 of the City of Vancouver, in the Province of British Columbia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
HFS Management Inc.	4730 S Fort Apache Road Suite 300 Las Vegas NV 89147 USA		378,408.28
iDeals Solutions Group	815 N Royal Street, Suite 202 Alexandria VA 22314 USA		884.00
Integrated DNA Technologies, Inc.	P.O.Box 8491, Station A Toronto ON M5W 3P1		11,387.09
Jacqueline Monash			42,198.53
John Maynard			20,050.00
Lesia Burianyk	203-1637 East Pender Street Vancouver BC V5L 1W2		3,465.00
Lorne Nystrom	66 Norwood Cres Regina Regina SK S4R 0A1		7,000.00
Manning Elliott	1700-1030 W. Georgia St. Vancouver BC V6E 2Y3		21,500.00
Mark Garrity			145,279.34
MarketWired LP	Suite 900, P.O. Box 403 25 York Street Toronto ON M5J 2V5		5,182.80
MEP Business Counsel	1055 W. Georgia Street Suite 1750 Vancouver BC V6E 3P3		19,310.67
Mysia Gruber			250.00
Neal Stevens			205,820.28
Osler, Hoskin & harcourt LLP	Osler, Hoskin & harcourt LLP Finance & Accounting 1 First Canadian Place P.O. Box 50 Toronto ON M5X 1B8		208,843.61
Praxair Canada Inc.	Linde Canada Inc PO Box 2531 Stn M Calgary AB T2P 0S6		1,068.82
Rakshit Kodekalra			8,950.00
Shakta Limited Partership			399,075.07

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2829781

FORM 33
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Notice of Intention to make a proposal of
Medipure Holdings Inc.
of the City of Vancouver, in the Province of British Columbia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
SHP Capital LLC (Christopher Ho Note)	c/o Bennett Jones 666 Burrard St #2500 Vancouver BC V6C 2X7		199,537.53
SHP Capital LLC (Secured Promissory Note)	c/o Bennett Jones 666 Burrard St #2500 Vancouver BC V6C 2X8		2,742,326.03
Telus	PO Box 8950, Stn Terminal Vancouver BC V6B 3C3		512.48
Telus Mobility	PO Box 8950, Stn Terminal Vancouver BC V6B 3C4		392.82
Total			16,153,654.99

Medipure Holdings Inc.
Insolvent Person



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-2829781
Estate No. 11-2829781

In the Matter of the Notice of Intention to make a proposal of:

Medipure Holdings Inc.

Insolvent Person

DELOITTE RESTRUCTURING INC/RESTRUCTURATION DELOITTE INC

Licensed Insolvency Trustee

Date of the Notice of Intention:

May 11, 2022

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: May 12, 2022, 16:29

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

**NOTICE OF INTENTION TO MAKE A PROPOSAL
(Section 50.4(1))
MEDIPURE HOLDINGS INC.**

CONSENT OF TRUSTEE TO ACT UNDER PROPOSAL

In accordance with Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “BIA”), we advise that our firm, as a licensed Trustee, hereby consents to act as Trustee under the proposal of Medipure Holdings Inc. under Division I of Part III of the BIA.

Dated at the City of Vancouver, in the Province of British Columbia, this 11th day of May, 2022.

DELOITTE RESTRUCTURING INC.



Per: Jeff Keeble, CPA, CA, LIT, CIRP, CBV
Senior Vice President



Deloitte Restructuring Inc.
939 Granville Street
Vancouver BC V6Z 1L3
Canada

Tel: 604-235-5089
Fax: 604-602-1583
www.deloitte.ca

May 16, 2022

TO THE CREDITORS OF MEDIPIRE PHARMACEUTICALS INC.

**Re: In the Matter of the Notice of Intention
to Make a Proposal Filed by Medipure Pharmaceuticals Inc.**

Take notice that Medipure Pharmaceuticals Inc. ("**MPI**") has filed a Notice of Intention to Make a Proposal ("**NOI**") under subsection 50.4(1) of the *Bankruptcy and Insolvency Act*. The effective date of the NOI is May 11, 2022 and Deloitte Restructuring Inc. has been named as Trustee under the NOI.

The effect of filing an NOI is an automatic stay against all creditors from commencing any actions against MPI. MPI has 30 days within which to file a Proposal to its creditors, or seek an extension from the Supreme Court of British Columbia of the time within which to file a Proposal.

Enclosed with this letter are the following documents for your records:

- A copy of the NOI;
- A list of known creditors with debts greater than \$250 as at the effective date of filing;
- Certificate of Filing of a NOI issued by the Official Receiver; and
- Consent of the Trustee.

Until a Proposal is filed with the Official Receiver, it is not necessary for creditors to file Proof of Claim forms.

Additional information with respect to these proceedings including a copy of a Proposal, if and once formulated, would be mailed to all creditors and posted to our website at <http://www.insolvencies.deloitte.ca/en-ca/medipure>.

Should you have any questions regarding these proceedings, please do not hesitate to contact Mr. Jordan Yin at (604) 640-5089.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as Trustee under the Notice of Intention to Make a Proposal of Medipure Pharmaceuticals Inc.
and not in its personal capacity.

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Trustee

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2829780

FORM 33
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

Take notice that:

1. I, Medipure Pharmaceuticals Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Deloitte Restructuring Inc. of 939 Granville Street, Vancouver, British Columbia, V6Z 1L3, Canada, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Vancouver in the Province of British Columbia, this 11th day of May 2022.



Medipure Pharmaceuticals Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2829780

FORM 33
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Accelerated Technology Laboratories Ltd	496 Holly Grove School Road West End NC 27326 USA		1,755.00
Annie Tam			4,520.58
Avaya - Cloud Office	21-5480 Canotek Road Ottawa ON K1J 9H7		1,676.60
Bao Li			4,520.74
Bao Li - Expenses			364.00
BC Hydro	BC Hydro P.O. Box 9501 STN Terminal Vancouver Vancouver BC V6B 4N1		1,840.51
BioAssay Systems	3191 Corporate Pl Hayward CA 94545 USA		1,166.10
Biotage	10430 Harris Oaks Blvd Suite C Charlotte NC 28269 USA		10,893.42
Boris Weiss	2348 Orchard Lane West Vancouver BC V7V 4X6		21,249.05
Canadian Life Science	270 Jameson Drive Peterborough ON K9J 6X6		1,433.98
CAS (Scifinder)	CAS American Chemical Society Bank of America 100 N Tryon St Charlotte NC 28202 USA		8,222.50
Chambers of Commerce.	290-5655 Cambie Street Vancouver BC V5Z 3A4		15,510.92
Columbia Business Systems.	#31-13290 78th Ave Surrey BC V3W 0H6		554.54
Combi-Blocks Inc	7949 Silverton Ave Suite 915 San Diego CA 92126 USA		2,195.70
CRA - Tax - Pacific Pacific Insolvency Intake Centre	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1		2,012,074.52

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2829780

FORM 33
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
David Bogucki			4,763.70
Dr. Xia Zhang	580 Rowanwood Avenue Ottawa ON K2A 3E1		37,499.97
ESTI	302 2nd Avenue North Saskatoon Saskatoon SK S7K 2B9		8,736.63
Export Development Canada (CEBA Loan)	1055 Dunsmuir Street Suite 400 Vancouver BC V7X 1G4		40,000.00
Fisher Scientific Company	C/O 915660 PO Box 4090 Postal Station A Toronto ON M5W 0E9		1,778.20
Fortis BC - Natural Gas	PO Box 6666 Station Terminal Vancouver BC V6B 6M9		3,171.20
Francisco Wellington Melo Da Rocha			3,783.14
HEPA Filter Services Inc.	#4-124 Connie Crescent Concord ON L4K 1L7		448.00
Indigo BioSciences.	3006 Research Dr a1 State College PA 16801 USA		2,877.43
Janice Solon			4,999.34
Janice Solon - expenses			436.80
John Maynard			5,713.02
K K Viswanadham			556.84
Kaiji Hu			6,040.48
Lorne Nystrom-Expenses	66 Norwood Crescent Regina SK S4R 0A5		1,686.01
Mat Tek Corporation	200 Homer Avenue Ashland MA 01721 USA		4,091.27

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2829780

FORM 33
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Mills Office Productivity	1111 Clark Drive Vancouver Vancouver BC V5L 3K5		2,463.54
Mysia Gruber - Expenses			18,677.84
Nada Radwan			3,956.64
Neil Solomons	5553 Parker Avenue Victoria BC V8Y 2N2		37,499.97
Nihar Pandey			36,830.06
Nihar Pandey - Expenses			114,369.62
Omegachem	480 Rue Perreault Saint-Romuald QC G6W 7V6		22,722.00
Omicron Canada Inc.	Fifth Floor Three Bentall Centre 559 Burrard Street Vancouver BC V7X 1L4		24,388.10
Patricia Taylor Law Corporation	666 Burrard St #500 Vancouver BC V6C 3P6		24,704.10
PatSnap	1 University Avenue, WeWork, 3rd Floor Toronto ON M5J 2P1		25,116.00
Rakshit Kodekalra			12,325.92
Rakshit Kodekalra - Expenses			98,738.32
Rashmi Tiwari-Pandey			8,562.46
Red Lion Management Ltd	267 Esplanade W #306 North Vancouver BC V7M 1A5		67,161.29
Rman Walia			23,920.28
Rman Walia - Expense			4,358.32

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2829780

FORM 33
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Ron Wong & Associates Inc	2268 No 5 Rd Unit 220 Richmond BC V6X 2T1		3,675.00
Safwat Mohamed			5,675.52
Safwat Rabea - expenses			251.24
SARSTEDT	6373 Bd des Grandes-Prairies Saint-Léonard QC H1P 1A5		376.32
Seaforth Construction Ltd.	5041 Regent Street Burnaby BC V5H 4H4		452,578.48
Sekisui XenoTech, LLC	1101 W. Cambridge Circle Drive Kansas City KS 66103 USA		1,027.00
Shakta Limited Partership			399,075.07
Shaw Enterprise	PO Box 1607, Station M Calgary AB T2P 2L7		8,069.93
Shaw Head Office	PO Box 2468 Stn Main Calgary Calgary AB T2P 4Y2		490.45
SHP Capital LLC (Lease Claim)	666 Burrard St #2500 C/O Bennett Jones Vancouver BC V6C 2X8		372,910.00
Sigma-Aldrich Canada Co.	LBX# T6226 P.O. Box 6100 Toronto ON M4Y 2Z2		6,133.70
SK Architect Inc	300 - 22420 Dewdney Trunk Road Maple Ridge BC V2X 3J5		290,720.36
Sumas Environmental Services Inc	4623 Byrne Road Burnaby Burnaby BC V5J 3H6		947.63
Tina Gooderham			5,093.96
UBC-Dept of Chemistry	RM D232 - 2036 Main Hall Vancouver BC V6T 1Z1		1,500.00
UBC-Faculty of Pharmaceutical Sciences	2405 Wesbrook Mall Vancouver BC V6T 1Z3		1,354.50

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2829780

FORM 33
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ULINE Canada Corporation	Box 3500 RPO Streetsville Mississauga ON L5M 0S8		2,093.03
Vanca Holdings Corp/ MR Western Holdings Corp	#211-179 Davie Street Vancouver BC V6Z 2Y1		250.00
Victoria Brown			3,328.58
VWR	2360 Argentia Road Mississauga Toronto ON L5N 5Z7		29,937.34
Whitelaw Twining Law Corporation	2400 - 200 Granville Street Vancouver BC V6C 1S4		44,341.97
Yahia Mouhammed			4,998.58
Total			4,375,183.31

Medipure Pharmaceuticals Inc.
Insolvent Person



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-2829780
Estate No. 11-2829780

In the Matter of the Notice of Intention to make a proposal of:

Medipure Pharmaceuticals Inc.

Insolvent Person

DELOITTE RESTRUCTURING INC/RESTRUCTURATION DELOITTE INC

Licensed Insolvency Trustee

Date of the Notice of Intention:

May 11, 2022

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: May 12, 2022, 16:27

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

**NOTICE OF INTENTION TO MAKE A PROPOSAL
(Section 50.4(1))
MEDIPURE PHARMACEUTICALS INC.**

CONSENT OF TRUSTEE TO ACT UNDER PROPOSAL

In accordance with Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “BIA”), we advise that our firm, as a licensed Trustee, hereby consents to act as Trustee under the proposal of Medipure Pharmaceuticals Inc. under Division I of Part III of the BIA.

Dated at the City of Vancouver, in the Province of British Columbia, this 11th day of May, 2022.

DELOITTE RESTRUCTURING INC.



Per: Jeff Keeble, CPA, CA, LIT, CIRP, CBV
Senior Vice President

Appendix D

Proposal Trustee's Report on the May 20 Cash Flow Projection

District of: British Columbia
Division No. 03 – Vancouver
Court No.
Estate No. 11-2829781

-- FORM 29 --

Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of:
Medipure Holdings Inc.
of the City of Vancouver, in the Province of British Columbia

The attached statement of projected cash flow of Medipure Holdings Inc., as of the 20th day of May 2022, consisting of a weekly cash flow forecast for the period of May 9 to June 17, 2022 has been prepared by the management of the insolvent debtor for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent debtor. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

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 projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

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

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of May, 2022.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



Per: Jeff Keeble, Senior Vice President
939 Granville Street, Vancouver, BC V6Z 1L3
Phone: (604) 669-4466 Fax: (604) 602-1583

District of: British Columbia
Division No. 03 – Vancouver
Court No.
Estate No. 11-2829781

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of:
Medipure Holdings Inc.
of the City of Vancouver, in the Province of British Columbia

Purpose:

The purpose of the Cash Flow Statement for the period of May 9, 2022 to June 17, 2022 is to enable the creditors of Medipure Holdings Inc. to assess their position with respect to the filing of a Notice of Intention to make a Proposal under Section 50.4(1) of the *Bankruptcy and Insolvency Act*.

Assumptions:

- 1) This cash flow has been prepared on a consolidated basis as Medipure Holdings Inc. ("MHI") owns 100% of Medipure Pharmaceuticals Inc. ("MPI", collectively with MHI, "Medipure") and provides funding for MPI to operate and pay most of the operating costs which are in the name of MPI.
- 2) Medipure intends to apply for Court for approval of a DIP Loan Facility which is still being finalized. Required draws on the DIP Loan Facility have been estimated and would be subject to approval of the DIP Loan Facility by the Court.
- 3) Medipure expects to receive ~\$458k in SRED refunds (net of consulting fees) in June. For prudence, this amount has not been included in the forecast as CRA may have a right of offset.
- 4) All obligations incurred after the date of the NOI will be paid in the regular course.
- 5) Rent costs are in respect of Medipure's office in North Vancouver, and its laboratory at BCIT in Burnaby.
- 6) Medipure intends to apply to Court for the approval of outstanding wages and source deductions in the amount of ~\$172k. Wages will then be paid in the regular course through the stay period.
- 7) R&D costs are deferred to the extent possible to manage liquidity during the stay period.
- 8) Medipure intends to apply to Court for the approval to pay certain pre-appointment arrears related to critical suppliers for the laboratory.
- 9) Cash flow includes minimal funding of MHI's subsidiary in Croatia. It is assumed that MHI's subsidiary in India will not require funding as it has sufficient funds on hand during the stay period.
- 10) Professional fees include the costs of the Proposal Trustee and its counsel, restructuring and securities counsel to the Company and the costs of audits required to remove the Cease Trade Orders.
- 11) Amounts included in the cash flow are shown in CAD. USD transactions are assumed to be at an exchange rate of 1.29.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of May, 2022.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



Per: Jeff Keeble, Senior Vice President
939 Granville Street, Vancouver, BC V6Z 1L3
Phone: (604) 669-4466 Fax: (604) 602-1583

District of: British Columbia
Division No. 03 – Vancouver
Court No.
Estate No. 11-2829780

-- FORM 29 --

Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of:
Medipure Pharmaceuticals Inc.
of the City of Vancouver, in the Province of British Columbia

The attached statement of projected cash flow of Medipure Pharmaceuticals Inc., as of the 20th day of May 2022, consisting of a weekly cash flow forecast for the period of May 9 to June 17, 2022 has been prepared by the management of the insolvent debtor for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent debtor. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

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 projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

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

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of May, 2022.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



Per: Jeff Keeble, Senior Vice President
939 Granville Street, Vancouver, BC V6Z 1L3
Phone: (604) 669-4466 Fax: (604) 602-1583

District of: British Columbia
Division No. 03 – Vancouver
Court No.
Estate No. 11-2829780

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of:
Medipure Pharmaceuticals Inc.
of the City of Vancouver, in the Province of British Columbia

Purpose:

The purpose of the Cash Flow Statement for the period of May 9, 2022 to June 17, 2022 is to enable the creditors of Medipure Pharmaceuticals Inc. to assess their position with respect to the filing of a Notice of Intention to make a Proposal under Section 50.4(1) of the Bankruptcy and Insolvency Act.

Assumptions:

- 1) This cash flow has been prepared on a consolidated basis as Medipure Holdings Inc. ("MHI") owns 100% of Medipure Pharmaceuticals Inc. ("MPI", collectively with MHI, "Medipure") and provides funding for MPI to operate and pay most of the operating costs which are in the name of MPI.
- 2) Medipure intends to apply for Court for approval of a DIP Loan Facility which is still being finalized. Required draws on the DIP Loan Facility have been estimated and would be subject to approval of the DIP Loan Facility by the Court.
- 3) Medipure expects to receive ~\$458k in SRED refunds (net of consulting fees) in June. For prudence, this amount has not been included in the forecast as CRA may have a right of offset.
- 4) All obligations incurred after the date of the NOI will be paid in the regular course.
- 5) Rent costs are in respect of Medipure's office in North Vancouver, and its laboratory at BCIT in Burnaby.
- 6) Medipure intends to apply to Court for the approval of outstanding wages and source deductions in the amount of ~\$172k. Wages will then be paid in the regular course through the stay period.
- 7) R&D costs are deferred to the extent possible to manage liquidity during the stay period.
- 8) Medipure intends to apply to Court for the approval to pay certain pre-appointment arrears related to critical suppliers for the laboratory.
- 9) Cash flow includes minimal funding of MHI's subsidiary in Croatia. It is assumed that MHI's subsidiary in India will not require funding as it has sufficient funds on hand during the stay period.
- 10) Professional fees include the costs of the Proposal Trustee and its counsel, restructuring and securities counsel to the Company and the costs of audits required to remove the Cease Trade Orders.
- 11) Amounts included in the cash flow are shown in CAD. USD transactions are assumed to be at an exchange rate of 1.29.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of May, 2022.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



Per: Jeff Keeble, Senior Vice President
939 Granville Street, Vancouver, BC V6Z 1L3
Phone: (604) 669-4466 Fax: (604) 602-1583

Appendix E

Updated Cash Flow Forecast for the Period of June 4 to August 12, 2022

Medipure Holdings Inc. and Medipure Pharmaceuticals Inc.

Projected Cash Flow Statement
For the Period Ending August 12, 2022
CDN\$'000

Page 1 of 2

Court File No. B220220 and B220221

Vancouver Registry

Estate No. (MPI) 11-2829780

Estate No. (MHI) 11-2829781

Projected Cash Flow from June 4 to August 12, 2022 CDN\$'000	1 10-Jun	2 17-Jun	3 24-Jun	4 01-Jul	5 08-Jul	6 15-Jul	7 22-Jul	8 29-Jul	9 05-Aug	10 12-Aug	Total Forecast
Receipts											
DIP financing	525	125	125	125	125	125	250	163	125	250	1,938
Other misc. receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	525	125	125	125	125	125	250	163	125	250	1,938
Operating disbursements											
Office and laboratory lease/rent costs	-	-	-	18	-	-	-	-	18	-	35
Payroll, source deductions, benefits and WCB	103	81	48	89	-	81	4	81	8	81	573
R&D: project study and trials costs	32	1	77	8	2	1	203	-	6	270	600
Critical vendors	20	15	15	-	-	-	-	-	-	-	50
Insurance / equipment rental / storage costs	-	1	1	2	-	-	1	1	2	-	8
Other administrative and laboratory costs	36	16	8	8	8	8	33	47	15	4	183
Funding of subsidiaries	-	10	0	9	-	1	-	-	-	1	22
Total operating disbursements	191	124	149	133	10	91	241	128	49	356	1,472
Other disbursements											
Professional fees	90	20	70	15	50	50	-	-	10	50	355
DIP financing interest and fees	-	-	-	2	-	-	-	-	7	-	9
FX changes	-	-	-	-	-	-	-	-	-	-	-
Total other disbursements	90	20	70	17	50	50	-	-	17	50	364
Net cash flow	244	(19)	(94)	(25)	65	(16)	9	34	59	(156)	102
Opening cash balance	-	244	225	131	105	170	155	164	198	257	-
Net cash flow for the period	244	(19)	(94)	(25)	65	(16)	9	34	59	(156)	102
Closing cash balance	244	225	131	105	170	155	164	198	257	102	102

Medipure Holdings Inc. and Medipure Pharmaceuticals Inc.

Projected Cash Flow Statement
For the Period Ending August 12, 2022
CDN\$'000

Page 2 of 2

Court File No.	<u>B220220 and B220221</u>
Vancouver Registry	
Estate No. (MPI)	11-2829780
Estate No. (MHI)	11-2829781

Key Assumptions

- 1) This cash flow has been prepared on a consolidated basis as Medipure Holdings Inc. ("MHI") owns 100% of Medipure Pharmaceuticals Inc. ("MPI", collectively with MHI, "Medipure") and provides funding for MPI to operate and pay most of the operating costs which are in the name of MPI.
- 2) Medipure intends to apply for Court for approval of a DIP Loan Facility which is still being finalized. Required draws on the DIP Loan Facility have been estimated and would be subject to approval of the DIP Loan Facility by the Court.
- 3) Medipure expects to receive ~\$458k in SRED refunds (net of consulting fees) in June. For prudence, this amount has not been included in the forecast as CRA may have a right of offset.
- 4) All obligations incurred after the date of the NOI will be paid in the regular course.
- 5) Rent costs are in respect of Medipure's corporate office in North Vancouver, and its laboratory at BCIT in Burnaby.
- 6) Medipure intends to apply to Court for the approval of pre-filing outstanding wages and source deductions in the amount of ~\$177k that have been paid post filing. Wages will then be paid in the regular course through the stay period.
- 7) R&D costs are deferred to the extent possible to manage liquidity during the stay period.
- 8) Medipure intends to apply to Court for the approval to pay certain pre-appointment arrears related to critical suppliers for the laboratory.
- 9) Cash flow includes minimal funding of MHI's subsidiary in Croatia. It is assumed that MHI's subsidiary in India will not require funding as it has sufficient funds on hand during the stay period.
- 10) Professional fees include the costs of the Proposal Trustee and its counsel, restructuring and securities counsel to the Company and the costs of audits required to remove the Cease Trade Orders.
- 11) Amounts included in the cash flow are shown in CAD. USD transactions are assumed to be at an exchange rate of 1.29.

Appendix F

Proposed DIP Facility

Debtor-in-Possession Facility Commitment Letter

May ♦, 2022

Medipure Holdings Inc.
302 – 267 West Esplanade Avenue
North Vancouver, BC V7M 1A5

Attention: Lorne Nystrom

Re: Debtor-in-Possession (DIP) Facility Commitment Letter

The Lender is pleased to confirm that it will make available to the Borrower the credit facilities described below on, and subject to, the terms and conditions described in this letter and the attached Schedule A (together, this “**Commitment Letter**”).

1. **Borrower:** Medipure Holdings Inc., a corporation incorporated under the laws of the Province of British Columbia (the “**Borrower**”) with a mailing address at 302 – 267 West Esplanade, North Vancouver, BC V7M 1A5.
2. **Lender:** HFS Management Inc., a corporation incorporated under the laws of the State of Nevada (the “**Lender**”) with a mailing address at ♦
.
3. **Principal Amount:** \$2,400,000.00 CDN, [excluding fees.]
4. **Drawdown:** Drawdowns may be made in minimum instalments of \$100,000.00 with three business days’ notice and only in accordance with the most current Cash Flow Forecast (as defined below).
5. **Instrument:** Debtor in possession loan (the “**Interim Loan**”), in the form of a non-revolving facility, subject to a satisfactory order (the “**Interim Loan Approval Order**”) of the Supreme Court of British Columbia made in *Bankruptcy and Insolvency Act* proposal proceedings to be initiated by the Borrower (the “**BIA Proceedings**”) approving the Interim Loan and granting the Lender a first-place super priority charge over the assets of the Borrowers (the “**Interim Lender’s Charge**”) in form and substance acceptable to the Lender in its sole discretion.
6. **Use of Proceeds:** Working capital.
7. **Closing Date:** As required by the Borrower, subject to fulfilment of the conditions precedent set forth in this Commitment Letter.
8. **Maturity:** The Interim Loan, including any outstanding principal, interest and fees becomes fully due and payable upon a date (the “**Maturity Date**”) which is the earlier of:
 - a) June 1, 2024; or

- b) such further defaults as may be customary in the Lender's form of loan agreement.
9. **Accelerated Maturity:** The Interim Loan shall be suspended, and the Maturity Date may be accelerated (at the option of the Lender) upon the occurrence of a Default.
10. **Defaults:** Any of the following will constitute defaults (collectively, the "Defaults"):
- a) if the Interim Loan Approval Order has been vacated, stayed or otherwise caused to be ineffective or is otherwise amended in a manner not approved by the Lender (which approval may be withheld in the sole discretion of the Lender);
 - b) the issuance of an order terminating the BIA Proceedings or lifting the stay in the BIA Proceedings to permit the enforcement of any security against the Borrower or the assets of the Borrower, or the appointment of a receiver and manager, receiver, interim receiver or similar official or the making of a bankruptcy order against a Borrower or the assets of the Borrower;
 - c) there is a negative variance of [15%] or more from any Cash Flow Forecast, unless such variance is approved in advance by the Lender in writing;
 - d) any steps are taken by the Borrower or any other person to challenge the Interim Loan Approval Order or the validity, enforceability or priority of the Interim Lender's Charge; or
 - e) failure of the Borrower to comply in any way with: (i) any Cash Flow Forecast; (ii) the requirements and procedures set out herein for the drawdown of the Interim Loan; or (iii) failure of the Borrower to perform or comply with any other term or covenant under this Commitment Letter..
11. **Waiver:** The Defaults may be waived by the Lender in its sole discretion.
12. **Repayment:** The full amount of all outstanding principal and interest will be repaid on the Maturity Date.
13. **Interest:** The Interim Loan shall bear interest at the rate of 6% per annum calculated monthly and in arrears on any amounts disbursed to the Borrower.
14. **Expense:** The Borrower will reimburse the Lender for all reasonable and customary legal, professional and other due diligence costs associated with the Interim Loan and the BIA Proceedings.

- 15. Additional Agreements and Security:** If required by the Lender, the Borrower will execute the following additional agreements and obtain the following security:
- a) a loan agreement;
 - b) the Interim Lender's Charge whereby all other charges other than an administration charge in the amount of **[\$200,000]** securing the Borrower's obligations to its legal counsel, the proposal trustee and the proposal trustee's legal counsel, shall be subordinated to the Interim Lender's Charge; and
 - c) such other security instruments as the Lender may reasonably require.
- 16. Debt Covenants:** The debt covenants associated with the Interim Loan shall include, but are not limited to, the following (collectively, the "**Debt Covenants**"):
- a) prepare and deliver to the Lender by noon on Tuesday bi-weekly following the Closing Date a rolling 13-week cashflow forecast (each a "**Cash Flow Forecast**");
 - b) operate in compliance with the most current Cash Flow Forecast;
 - c) prepare and deliver to the Lender by noon on Tuesday bi-weekly following the Closing Date a cashflow variance report showing the variance from the most current Cash Flow Forecast;
 - d) report to the Lender as set out in **Schedule "A"** hereto (the "**Reporting**");
 - e) comply with the provisions of any orders of the court made in the BIA Proceedings;
 - f) conduct all activities in accordance with the Borrower's Cash Flow Forecast;
 - g) keep the Lender informed of the Borrower's activities and consult the Lender with respect to any matters that could reasonably be expected to affect the Lender; and
 - h) no further encumbrances of the assets of the Borrower.
- 17. Conditions:** In addition to the matters described elsewhere in this Commitment Letter, the completion of the transaction and each drawdown of the Interim Loan will be subject to the following conditions:

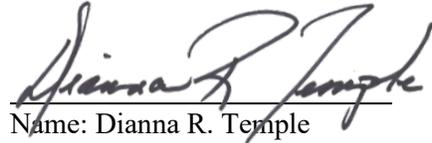
- a) the granting by the court in the BIA Proceedings of the Interim Loan Approval Order, including approval of this Commitment Letter and granting the Interim Lender's Charge;
- b) the approval by the Lender, in writing and in its sole discretion, of each Cash Flow Forecast;
- c) the appointment of three additional directors selected by the Lender immediately after the Interim Lender's Charge is granted;
- d) payment of all fees and expenses related to the financing; and
- e) compliance with the Debt Covenants.

- 18. Representation and Warranties:** As normal for a transaction of this nature (which shall be, in each case, subject to materiality qualifiers, exceptions, thresholds and limitations to be mutually agreed upon).
- 19. Confidentiality:** Except as otherwise provided herein, unless and until such time as approval of this Commitment Letter is sought in the BIA Proceedings, the Borrower, its shareholders, employees and other representatives will not disclose the existence or contents of this Commitment Letter except to their advisors and representatives who need to know the existence and contents hereof in order to facilitate the completion of the Interim Loan by the Lender.
- 20. No Broker:** The Borrower represents and warrants that no commissions or other payments shall be due to any broker, consultant or any other third party in connection with this Interim Loan.
- 21. Further Assurances:** The Borrower will, at its expense, do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all and every such further and other acts, agreements, instruments, registrations, filings and assurances as the Lender may require for the purpose of giving effect to this Commitment Letter.
- 22. Governing Law:** This Commitment Letter and all related agreements shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Yours truly,

HFS MANAGEMENT INC.

by its authorized signatory:



Name: Dianna R. Temple

Title: Director

The undersigned hereby acknowledges, accepts and agrees to the terms and conditions of this Commitment Letter (including Schedule A attached hereto) this ____ day of _____, 2022.

MEDIPURE HOLDINGS INC.

by its authorized signatory:

Name:

Title:

SCHEDULE "A"

REPORTING REQUIREMENTS

The Borrower will provide the following reporting to the Lender once per calendar month and only on written request of the Lender::

- a) internal financial statements as at the close of business of the previous Friday;
- b) copies of all bank statements showing the prior week's transactions;
- c) accounts payable listings;
- d) a written update from management commenting on the status of the Borrower's ongoing operations.

Appendix G

DIP Loan summary schedule



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at June 14, 2021**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
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	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 June 14, 2021**

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	13.00	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.
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%	
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.



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at June 14, 2021**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
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.
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.



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at June 14, 2021**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
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 11%	
Port Capital Development (EV) Inc.	Desjardins Financial Security Life Assurance Company	CCAA	EY	29-May-20	British Columbia	Real Estate	1.50	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
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%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at June 14, 2021**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
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 June 14, 2021**

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 June 14, 2021**

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%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at June 14, 2021**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
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
Green Relief	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
Pure Global Cannabis Inc. et al.		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.	Various pre-petition lenders	Foreign order recognition	Alvarez & Marsal	18-Feb-20	Ontario	Retail	USD \$256.0	\$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%	
Ontario Graphite	Orionis Corporation	CCAA	Deloitte	12-Feb-20	Ontario	Mining	2.75		15.0%	
Invictus MD Strategies	ATB Financial	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 Ministre 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%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at June 14, 2021**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Viafoura Inc.	Intericap 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%	
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%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at June 14, 2021**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
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%	
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%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at June 14, 2021**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
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%	
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%	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at June 14, 2021**

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
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%	
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%	
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	



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at June 14, 2021**

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Appendix H

Scotiabank Preliminary IPO Perspectives dated April 9, 2021



MEDIPURE

PHARMACEUTICALS

Preliminary IPO Perspectives

April 9, 2021



ScotiabankTM

1. Executive Summary
2. Equity Capital Markets Update
3. IPO Considerations

Appendix

1. Supplemental IPO Materials
2. IPO Case Studies

Executive Summary

Section 1

Senior Coverage



Dany Beauchemin
Managing Director & Co-Head,
Global IB & Canadian CB
T: 416.358.0499
dany.beauchemin@scotiabank.com



Michelle Khalili
Managing Director & Head,
Global Equity Capital Markets
T: 647.628.6021
michelle.khalili@scotiabank.com

Investment Banking – Vancouver



Andrew McLenan
Managing Director & Head,
Vancouver Investment Banking
T: 604.418.2907
andrew.mclenan@scotiabank.com



Benjamin Salopek
Associate Director,
Global Investment Banking
T: 604.721.0499
benjamin.salopek@scotiabank.com



Mathilde Ho
Associate,
Global Investment Banking
T: 236.788.7452
mathilde.ho@scotiabank.com



Gurman Sihota
Analyst,
Global Investment Banking
T: 236.885.6128
gurman.sihota@scotiabank.com

Investment Banking – TMTH



Rob Sainsbury
Managing Director & Head, Corporate
& Investment Banking, TMTH
T: 647.299.5592
rob.sainsbury@scotiabank.com



Vanina El-Khoury
Associate Director,
Global Investment Banking
T: 647.531.5472
vanina.el-khoury@scotiabank.com



Wale Oyebanjo
Associate,
Global Investment Banking
T: 437.970.2016
wale.oyebanjo@scotiabank.com

Equity Capital Markets



Brendan Spinks
Managing Director,
Global Equity Capital Markets
T: 416.671.1254
brendan.spinks@scotiabank.com



Lily Zhang
Associate Director,
Global Equity Capital Markets
T: 647.967.1682
lily.zhang@scotiabank.com



Bauvneet Sahsi
Associate,
Global Equity Capital Markets
T: 416.268.9326
bauvneet.sahsi@scotiabank.com



Nick Bendici
Analyst,
Global Equity Capital Markets
T: 416.357.7565
nick.bendici@scotiabank.com

Medipure Will Receive the Full Dedication of Scotiabank and Its Entire Platform

- **Scotiabank is pleased to support Medipure Pharmaceuticals (“Medipure” or the “Company”) as it plans for an IPO**
 - Scotiabank understands Medipure is looking to IPO and requesting views on the IPO process and preliminary valuation
 - IPO allows Medipure to continue advancing its drug development pipeline
- **The Medipure IPO will resonate extremely well across a broad investor base**
 - Poised to be an industry disruptor to revolutionize pain management and anxiety treatment markets
 - Drug candidates in pipeline have significant potential in addressing an area of serious need given the material side effects and addictive properties of opioids
 - Accelerated development strategy reduces clinical development costs and provides visibility on potential cash flows
 - Proven management team with accomplished Scientific Advisory Board
- **Scotiabank recommends launching an IPO with 2 active joint bookrunners targeting a US\$1 billion post-money valuation**
 - Medipure’s near-term objective of a US\$75–US\$100 million IPO on the TSX is very achievable with strong anticipated interest
 - Confidential filings and “Testing the Waters” provides launch timing flexibility and preliminary indications of investor interest
 - Research analysts and investors will ultimately determine valuation
- **Scotiabank is uniquely positioned to act as bookrunner for Medipure’s IPO:**
 - Full commitment at the highest levels of Scotiabank
 - Leading Canadian healthcare capital markets team; bookrunner on 2 of the last 3 TSX-listed healthcare IPOs⁽¹⁾
 - Full-service North American ECM platform with global distribution capabilities
 - Extensive support and coverage throughout the entire process including preparation, execution, and post-IPO coverage

(1) Includes IPOs that have priced; TSX-only or dual listed IPOs ≥ \$100 million for Canadian companies; excludes Structured Products and SPACs; includes active bookrunner mandates only

Equity Capital Markets Update

Section 2

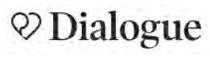
Scotiabank Expertise – Canada’s IPO Leader In Unprecedented Times

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The Canadian IPO Market Has Significantly Changed Over The Past Year Scotiabank Has Been The Most Active In Canadian IPOs During The Pandemic

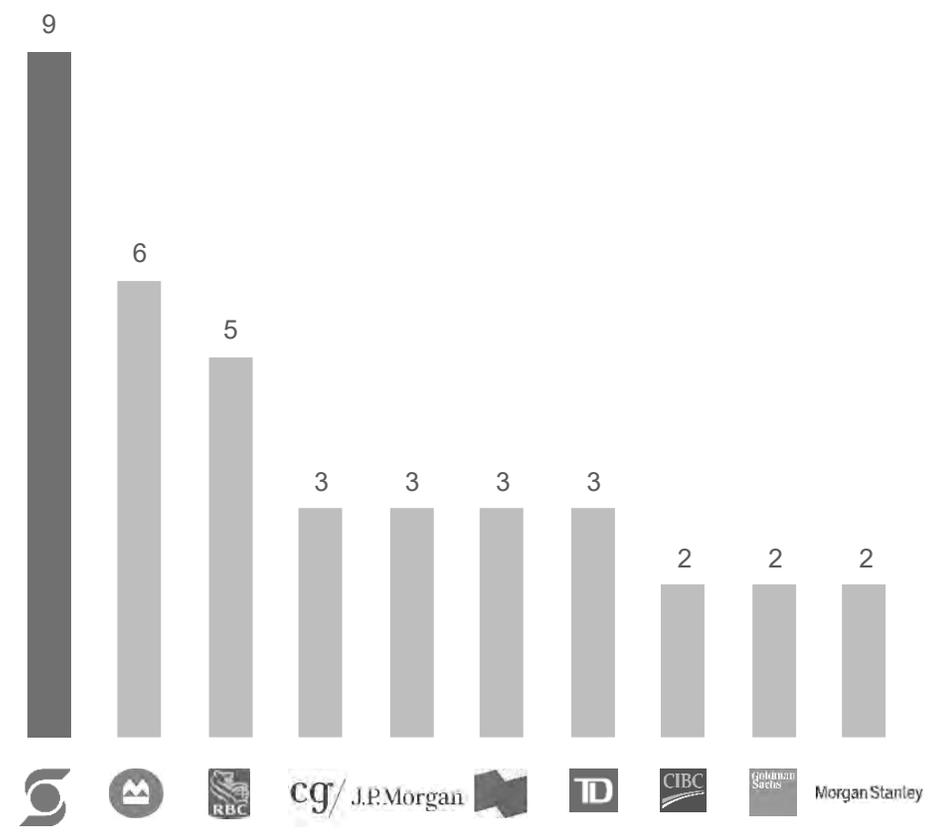
- Recent developments in the Canadian IPO market have assisted in the successful execution of TSX-listed IPOs since the onset of the pandemic
- Confidential filings, “Testing the Waters” and virtual roadshows have allowed issuers to maintain optionality regarding a potential launch, hit the market with confidence having a base of investors that have confirmed “interest” in the IPO, and shorter marketing periods with access to a greater number of investors

Scotiabank’s Recent IPO Bookrunner Mandates

 <p>\$400 Million IPO of Common Shares Joint Bookrunner April 2021</p>	 <p>\$100 Million IPO of Common Shares Joint Bookrunner March 2021</p>	 <p>US\$365 Million IPO of Units Left Bookrunner February 2021</p>	 <p>\$110 Million IPO of Common Shares Left Bookrunner February 2021</p>
 <p>\$108 Million IPO of Common Shares Joint Bookrunner February 2021</p>	 <p>US\$1.1 Billion IPO of SVS Joint Bookrunner February 2021</p>	 <p>\$263 Million IPO of Common Shares Joint Bookrunner October 2020</p>	 <p>\$172 Million IPO of SVS Joint Bookrunner October 2020</p>
 <p>\$173 Million IPO of Common Shares Joint Bookrunner July 2020</p>	 <p>US\$2.2 Billion IPO of SVS & TEUs Joint Bookrunner March 2020</p>		

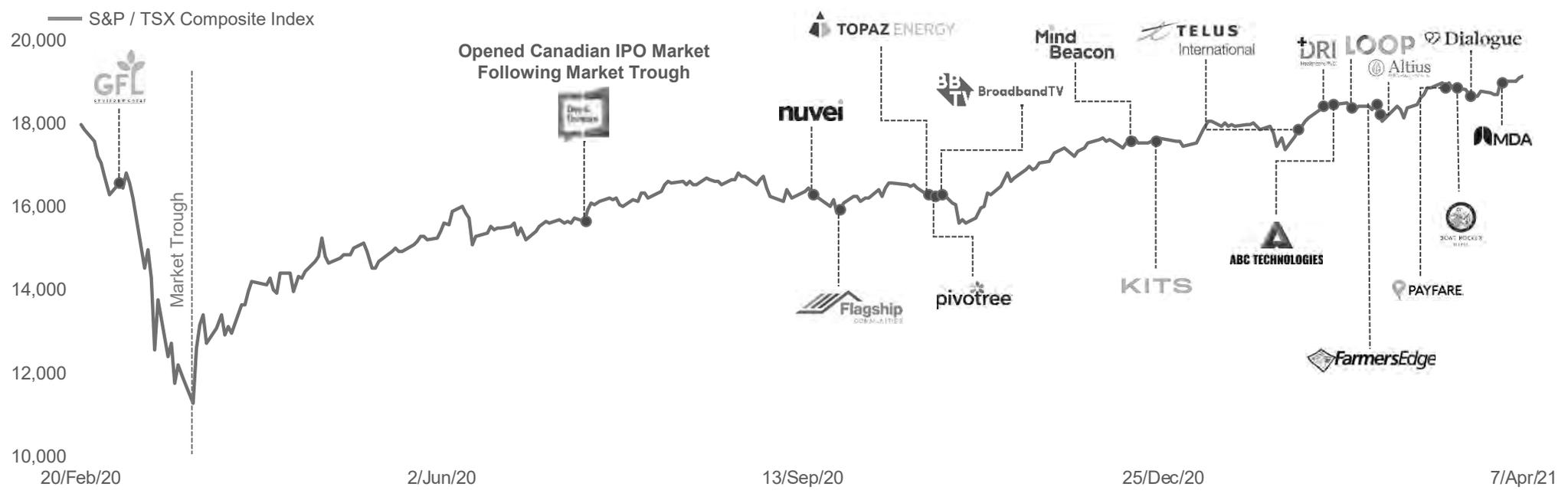
Leader In Canadian IPO Activity⁽¹⁾

(2020 – 2021 YTD | # of IPOs)



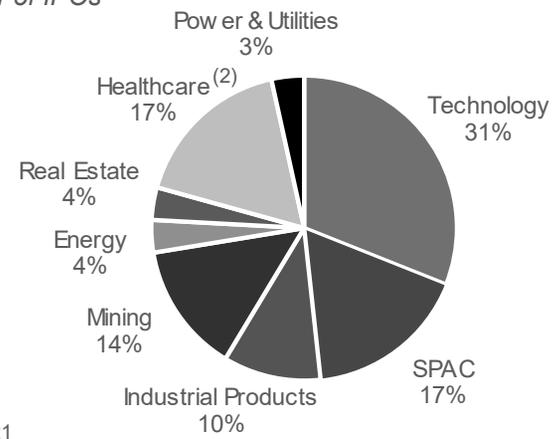
(1) Includes IPOs that have priced; TSX-only or dual listed IPOs ≥ \$100 million for Canadian companies; excludes Structured Products and SPACs; includes active bookrunner mandates only

Canadian IPO Activity Picked up Significantly in the Fall of 2020⁽¹⁾



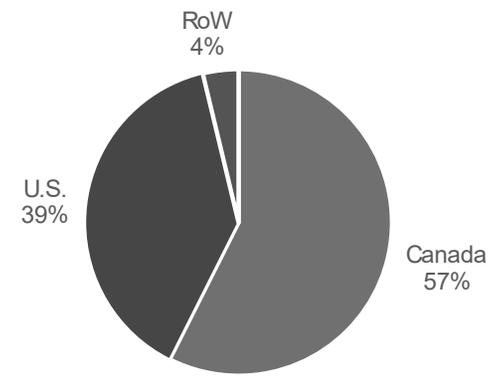
IPO Issuance by Sector

Based on number of IPOs



IPO Institutional Allocation by Geography⁽³⁾

Weighted by IPO Size



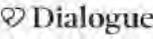
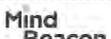
Note: As of April 7, 2021

- (1) Excludes Structured Products, SPACs and IPOs below \$50 million
- (2) Includes healthcare technology issuers
- (3) Excludes cross-border offerings

Recent Canadian IPOs

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Canadian IPOs Continue to be Well Over-Subscribed with Strong Institutional Support

Pricing Date	Issuer	Industry	Final Size (\$MM) ⁽¹⁾	Final Price	Institutional / Retail	Use of Proceeds	Offering Type	Subscription Level ⁽²⁾	Listing	Price Performance ⁽³⁾	Scotiabank
1-Apr-21	 MDA	Technology	\$400	\$14.00	89% / 11%	Repay Debt	Treasury	1.5x	TSX	4%	
23-Mar-21	 Dialogue	Healthcare Technology	\$100	\$12.00	80% / 20%	Capex	Treasury	10.0x	TSX	55%	
19-Mar-21	 Flat Rock	Media	\$170	\$9.00	93% / 7%	Repay Debt	Treasury	1.0x	TSX	(1%)	
16-Mar-21	 PAYFARE	Technology	\$75	\$6.00	83% / 17%	Repay Debt / Acquisitions	Treasury	3.6x	TSX	16%	
25-Feb-21	 Altius	Renewable Energy	\$108	\$11.00	80% / 20%	Growth	Treasury	4.0x	TSX	(2%)	
24-Feb-21	 FarmersEdge	Technology	\$144	\$17.00	79% / 21%	Financial Position	Treasury	8.0x	TSX	4%	
18-Feb-21	 LOOP	Industrials	\$100	\$16.00	80% / 20%	Capex	Treasury	10.0x	TSX	(24%)	
12-Feb-21	 ABC TECHNOLOGIES	Industrials	\$110	\$10.00	85% / 15%	Secondary	Secondary	1.3x	TSX	(16%)	
10-Feb-21	 DRI	Healthcare	US\$365	US\$10.00	85% / 15%	Purchase Portfolio of Royalty Assets	Treasury	1.5x	TSX	(17%)	
3-Feb-21	 TELUS International	Technology	US\$1,064	US\$25.00	94% / 6%	Repay Debt	Treasury / Secondary	6.0x	NYSE / TSX	12%	
23-Dec-20	 KITS	Healthcare	\$59	\$8.50	80% / 20%	Capex	Treasury	6.2x	TSX	(3%)	
17-Dec-20	 Mind Beacon	Healthcare Technology	\$75	\$8.00	91% / 9%	Financial Position	Treasury / Secondary	6.9x	TSX	1%	
23-Oct-20	 pivotree	Technology	\$69	\$8.50	73% / 27%	Acquisition	Treasury	11.5x	TSXV	(14%)	
22-Oct-20	 BroadbandTV	Media	\$172	\$16.00	63% / 37%	Acquisition	Treasury / Secondary	1.9x	TSX	(36%)	
19-Oct-20	 TOPAZ ENERGY	Energy	\$263	\$13.00	84% / 16%	Acquisition	Treasury / Secondary	1.5x	TSX	12%	
24-Sep-20	 Flagship	Real Estate	US\$108	US\$15.00	79% / 21%	Acquisition	Treasury	2.1x	TSX	0%	
16-Sep-20	 nuvei	Technology	US\$805	US\$26.00	95% / 5%	Repay Debt	Treasury / Secondary	20.0x	TSX	153%	
13-Jul-20	 Techstars	Technology	\$173	\$7.50	92% / 8%	Repay Debt	Treasury / Secondary	8.5x	TSX	444%	
3-Mar-20	 GFL	Industrials	US\$2,200	US\$19.00	93% / 7%	Repay Debt	Treasury / Secondary	2.5x	NYSE / TSX	82%	

(1) Excludes Structured Products, SPACs and IPOs below \$50 million

(3) As of April 7, 2021

(2) Before exercise of the over-allotment option

IPO Considerations

Section 3

Medipure is a Highly Attractive IPO Candidate

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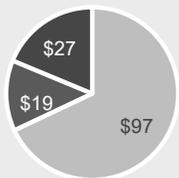
Consideration	Recommendation	Commentary
IPO Positioning	“Healthcare Unicorn with Game-Changing Prodrug”	<ul style="list-style-type: none"> ▪ Significant market opportunity with unmet demand from large and growing addressable market ▪ Proprietary drug technology well positioned for accelerated commercialization ▪ Strategic locations across 3 continents to streamline discovery, development, and go-to-market strategy ▪ Strong and experienced management team with scientific advisory board oversight
Value Considerations	US\$1 Billion	<ul style="list-style-type: none"> ▪ Positioned based on novel drug technology, positive results in preclinical human trials, and significant potential as first-in-class drugs for large global addressable markets ▪ Media attention surrounding pain management and the opioid epidemic will draw audience to Medipure ▪ Scarcity of biotech names on TSX to generate significant investor attention
Offering Size & Proceeds	US\$75MM-US\$100MM Treasury Offering	<ul style="list-style-type: none"> ▪ US\$75 – US\$100 million base offering +15% over-allotment ▪ Illustrative offering size based on management’s guidance for cash requirements to continue drug development pipeline and conduct Phase 2 and Phase 3 clinical trials ▪ Given potential upside, secondary offering would not be recommended at this time
Syndicate	2 Joint Bookrunners	<ul style="list-style-type: none"> ▪ 2 Active Joint Bookrunners with a broad syndicate of partners who will add value to Medipure
Timing / Process	H2 2021	<ul style="list-style-type: none"> ▪ Balance Medipure’s milestones, market conditions, and shareholder monetization objectives ▪ Launch preliminary “Testing the Waters” with a select group prior to confidentially filing prospectus ▪ 5 – 7 day “virtual roadshow” marketing schedule, prioritizing the best accounts regardless of geography ▪ The IPO process can be completed in ~3 – 4 months from engagement through to close
Lock-Up	180 days	<ul style="list-style-type: none"> ▪ Shareholder alignment and provides time for shares to season in the market <ul style="list-style-type: none"> – Alignment of shareholders’ intentions are critical
Listing Venues	TSX	<ul style="list-style-type: none"> ▪ Provides quick access to the market and access to Canadian, U.S., and global investors ▪ Medipure can add a U.S. listing on an expedited basis under MJDS as early as 12-months post IPO

HEALTHCARE UNICORN WITH POTENTIAL TO DISRUPT THE INDUSTRY WITH GAME-CHANGING PRODRUG

- Proprietary prodrug targeting the endocannabinoid system
- Reduced toxicity, lack of addictiveness, and reduced side effects relative to current opioid treatments in Medipure's target markets
- Proprietary molecules, formulations, and drug delivery methodologies
- Nine patents for drug candidates and product methods currently filed / under review

LARGE AND GROWING ADDRESSABLE MARKET

- Pain Management
 - Anxiety Management
 - Psoriasis and Dermatitis
- (US\$ billions)



- Global chronic pain, anxiety / mood disorder, and psoriasis / dermatitis markets expected to reach US\$97 billion, US\$19 billion, and US\$27 billion, respectively in 2026
- Significant media attention surrounding negative side effects of opioids
- Drug partnerships to occur in later stages, thus very favourable economics anticipated

Source: Management Internal Valuation (February 2021)

Transformational Candidates

Large Addressable Market

Governance and Experienced Management

Strong Drug Pipeline



Accelerated Go To Market Strategy

STRONG MANAGEMENT TEAM WITH EXPERIENCED SCIENTIFIC ADVISORY BOARD

- Proven track record across academic and commercial applications
- Strong, experienced management team and accomplished Scientific Advisory Board
- Specialized R&D team



CLINICAL AND NON-CLINICAL DRUG CANDIDATES HAVE SHOWN SIGNIFICANT POTENTIAL

- Products treating large markets such as pain and anxiety currently in clinical trial phases
- Human trials thus far indicate high efficacy with minimal side effects
- Potential to be revolutionary development in current opioid crisis and first-in-class drugs

POSITIONED FOR ACCELERATED COMMERCIALIZATION

- Low toxicity levels of drugs targeting ECS system allows for expedited regulatory approval
- Accelerated strategy reduces risk of drug development failure, costs to conduct trials, and R&D timelines
- Anticipated licensing and royalty strategy allows Medipure to focus on drug development with strong future cash flows

Medipure Has the Potential to Transform the Drug Treatment Industry

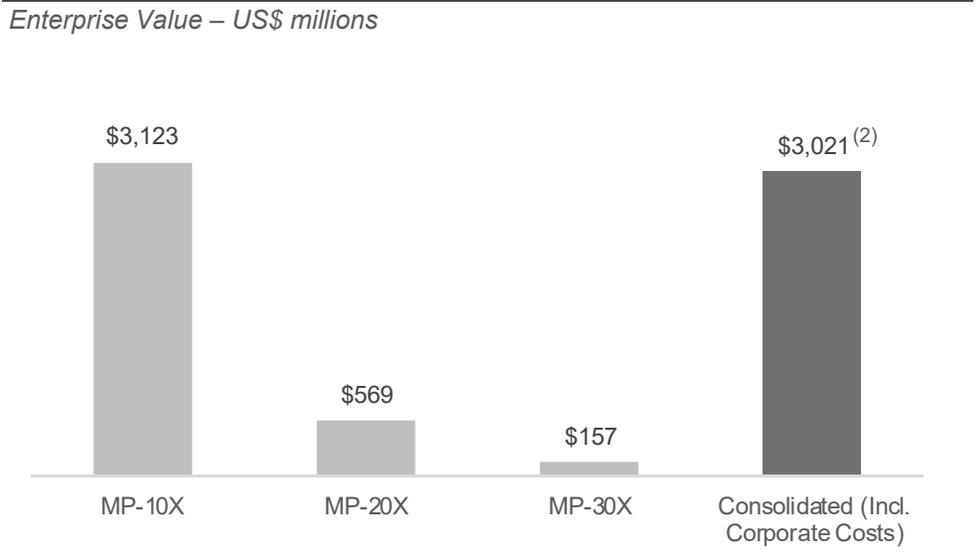
- **Variety of factors make it challenging to determine Medipure's valuation range**
 - Medipure is developing a novel drug technology with significant potential as a first in-class drug for pain management
 - Potential to displace an entire therapeutic market vs. narrowly defined specific markets
 - Limited success stories of drugs targeting the endocannabinoid system (ECS)
 - Lack of meaningful comparable companies also targeting the ECS with such a broad total addressable market
 - Market misperception surrounding presence of cannabis or cannabis-derived ingredients in drug candidates
- **Key areas of focus to differentiate Medipure with investors**
 - Drug potential and size of total addressable market
 - Anticipated market penetration rates
 - Results of preclinical and clinical trials provide insight into potential efficacy of drug candidates
 - Drug development timeline and expected date for commercialization
 - Monetization strategy
 - Patent status and ability to maintain, enforce, and defend patent rights
- **Scenario-based risk assessment valuation methodologies will be used to reflect success rate of drug candidates**

Peer Set	Commentary
<p>Clinical Pain Management Peers</p>	<ul style="list-style-type: none"> ▪ Clinical stage companies focused predominantly on pain management ▪ Focused on treating pain for niche markets, mostly related to specific diseases ▪ Limited public peer universe with no companies targeting pain through the endocannabinoid system <ul style="list-style-type: none"> – Only one peer in Phase 2 trials; two peers in Phase 3 trials
<p>Clinical ECS Peers</p>	<ul style="list-style-type: none"> ▪ Clinical stage companies primarily focused on treatments which target the endocannabinoid system ▪ Excludes companies developing cannabis-based drugs, including synthetic forms ▪ Most companies targeting the endocannabinoid system use cannabis-based treatments or do not have the ECS target as their primary focus, leaving only a single peer comparable (Corbus Pharmaceuticals) ▪ Corbus Pharmaceuticals’ Lenabasum drug targets the endocannabinoid system and is currently in phase 3 trials for the treatment of Dermatomyositis and phase 2 trials for the treatment of Systemic Lupus Erythematosus <ul style="list-style-type: none"> – Failures in phase 3 trials for the treatment of systemic sclerosis and failures in phase 2 trials for the treatment of cystic fibrosis
<p>Recent Clinical Biotech IPOs</p>	<ul style="list-style-type: none"> ▪ Select clinical stage biotech IPOs since January 2020 ▪ Majority of recent IPOs are focused on treatment of various cancers ▪ Excludes drug delivery companies ▪ Nine (9) peers in Phase 1 trials, 14 peers in Phase 2 trials, and 1 peer in Phase 3 trials

Limited Universe of Non-Cannabis Comparables in Either Clinical Pain Management or ECS

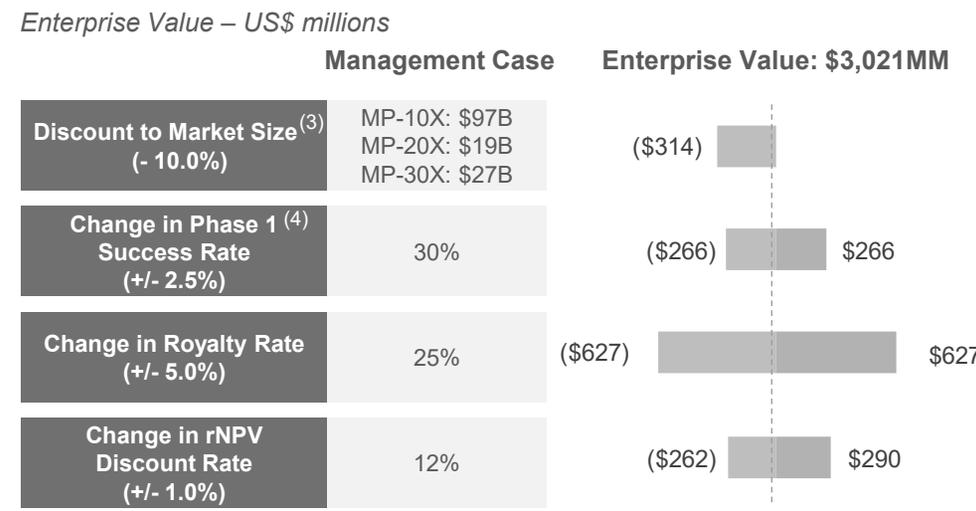
Preliminary Value Perspectives

Illustrative IPO Valuation – Management Forecast⁽¹⁾

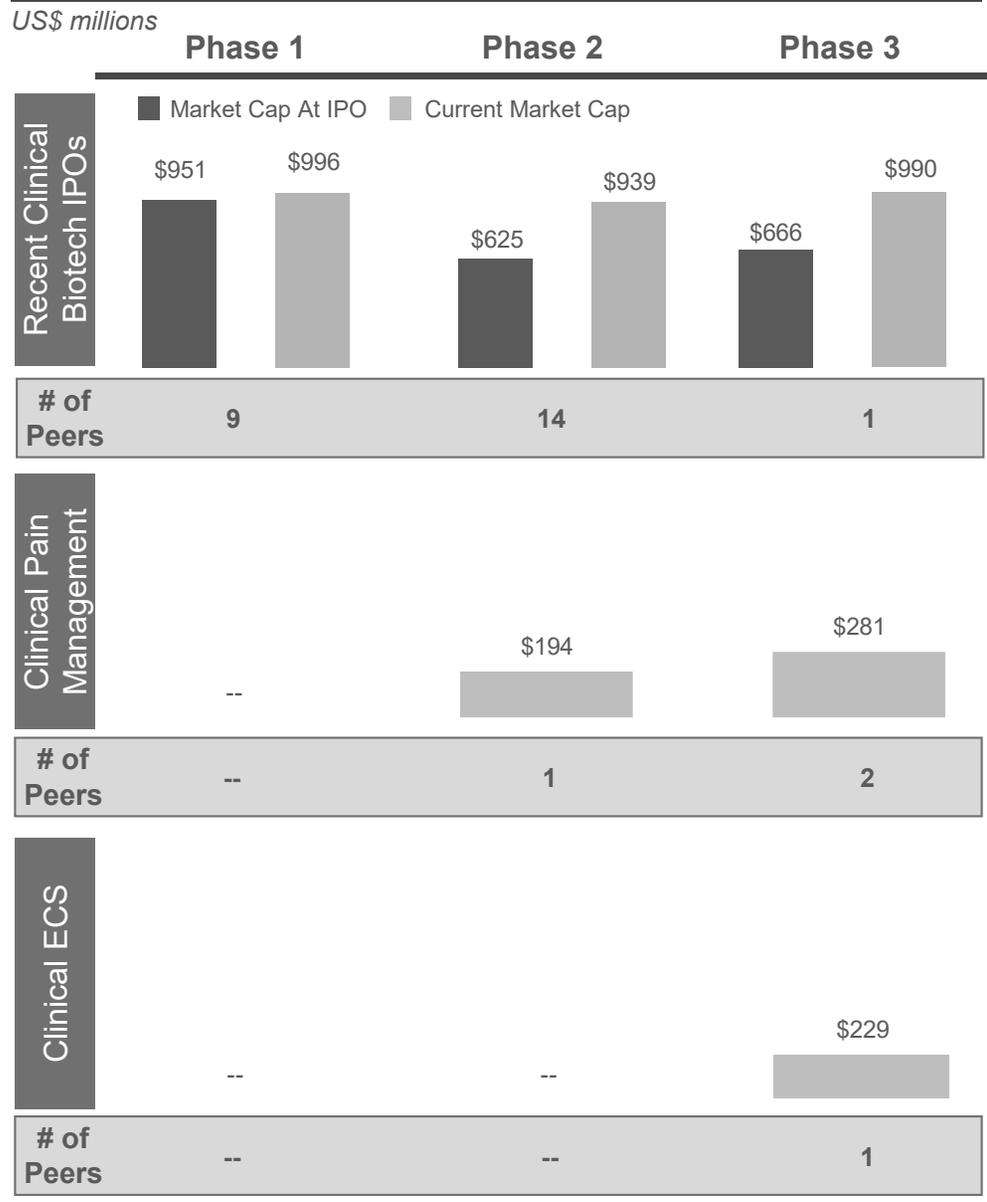


Note: Valuation date as of December 31, 2020

Management DCF – Sensitivity Analysis



Average Market Capitalizations of Public Peers



Medipure Value Potential Vastly Exceeds Comparables' Public Market Valuations



Source: Medipure Management Internal Valuation (March 2021)
 (1) Based on management's forecasted cash flows for MP-10X, MP-20X, and MP-30X
 (2) Includes corporate operating expenses and capital expenditures

(3) Illustrative market sizes based on sum of MP-10X, MP-20X, and MP-30X market sizes in 2026
 (4) Implies a +/- 1.0% change in cumulative success rate

Preliminary Value Perspectives (Cont'd)

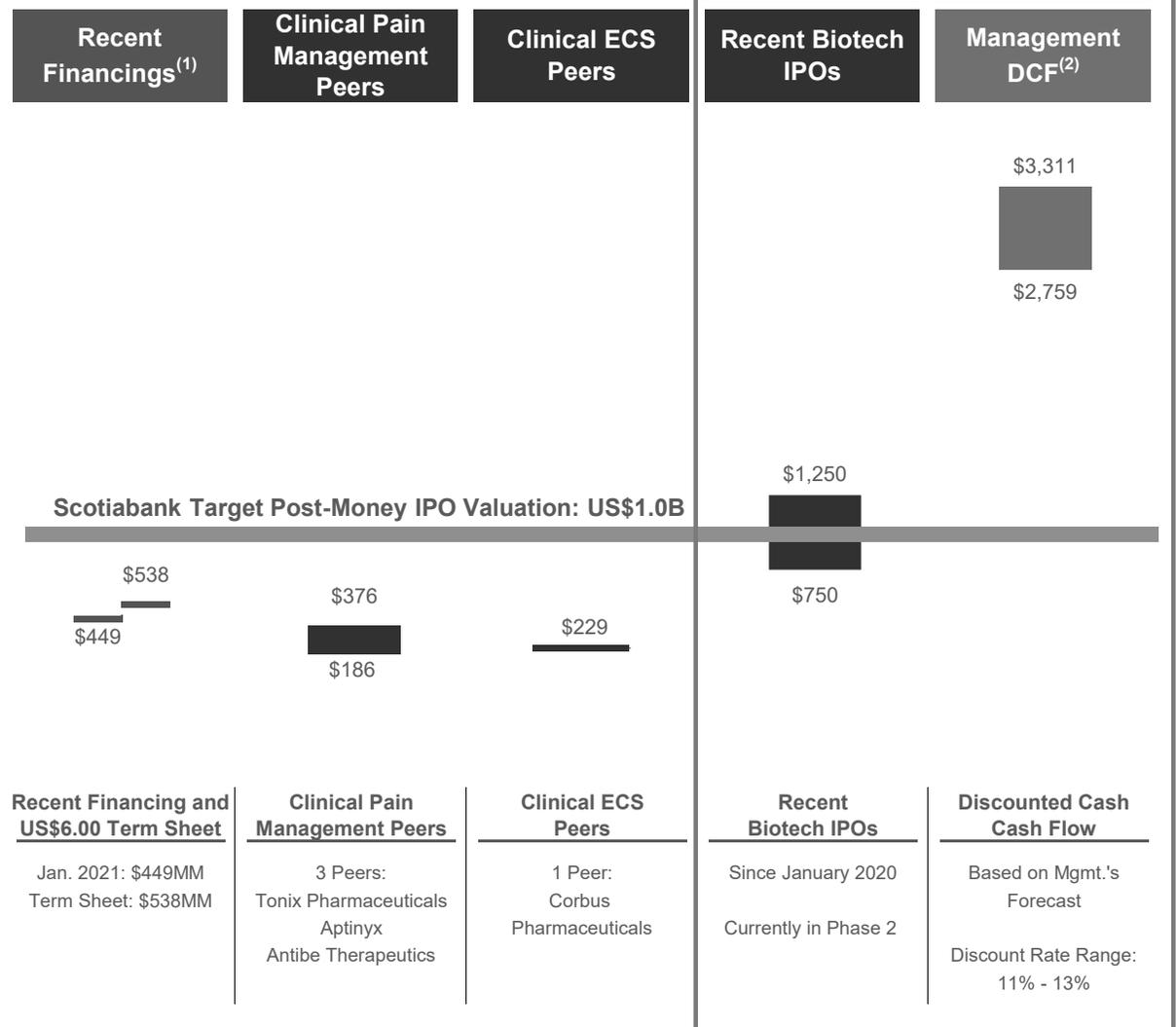
Recent Financings⁽¹⁾

Date	Shareholders	Shares Issued	Issue Price	Implied Post-Money Equity Value
Sep-19	GCB Capital	8.8 million	US\$2.50	US\$219 million
Jan-21	GCB Capital	2.0 million	US\$5.00	US\$449 million

- Term sheets were previously received from a Korean investment fund in January 2021 at US\$6.00 / share and from other U.S. based family offices in excess of US\$6.00 / share
 - Implied pre-money equity value of US\$538 million
 - Exact post-money equity value dependent on number of shares issued
 - Parties are ready to execute at Medipure's discretion

Illustrative Financial Assessment

Market Capitalizations in US\$ millions



Recent Financing and US\$6.00 Term Sheet	Clinical Pain Management Peers	Clinical ECS Peers	Recent Biotech IPOs	Discounted Cash Cash Flow
Jan. 2021: \$449MM Term Sheet: \$538MM	3 Peers: Tonix Pharmaceuticals Aptinyx Antibe Therapeutics	1 Peer: Corbus Pharmaceuticals	Since January 2020 Currently in Phase 2	Based on Mgmt.'s Forecast Discount Rate Range: 11% - 13%

Scotiabank Investment Banking Would Recommend Targeting a US\$1 Billion Post-Money IPO Valuation; Research Analysts and Investors Will Ultimately Determine Valuation

(1) Recent Financings value range represents implied equity value based on fully diluted shares outstanding
 (2) Represents Enterprise Value

Recent IPO Trends and Issuer Considerations

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Confidential Filing

- Confidential IPO prospectus filing was introduced in the Canadian market in 2019 and successfully used in many recent IPOs
- The process has been commonly used in the U.S. for many years

Third Party Consultants

- Provide technical due diligence
- Potentially referenced in prospectus

“Testing the Waters”

- Scotiabank recommends launching preliminary “Testing the Waters” in advance of confidential filing
- Has recently become a key part of the IPO process and majority of issuers are conducting extensive “Testing the Waters” given market backdrop and investor interest

Pricing Guidance

- Bookrunners’ research analysts “wall-crossed” to conduct due diligence and provide guidance on pricing

Anchor Orders

- Majority of IPOs have seen support from cornerstone / anchor orders making up ~10-30% of the total offering size
- Shift in perception from “optional” to “essential” for offerings with challenging idiosyncratic factors

Marketing Periods

- Recent IPO marketing periods have averaged ~5-7 days
- In light of extensive “Testing the Waters”, IPOs are launched with strong knowledge of investor interest therefore requiring fewer days of marketing

Virtual Roadshows

- A product of necessity, virtual roadshows navigate the roadblocks created by the global spread of COVID-19
- Highly efficient process and well received by investors

Roadshow Consultants

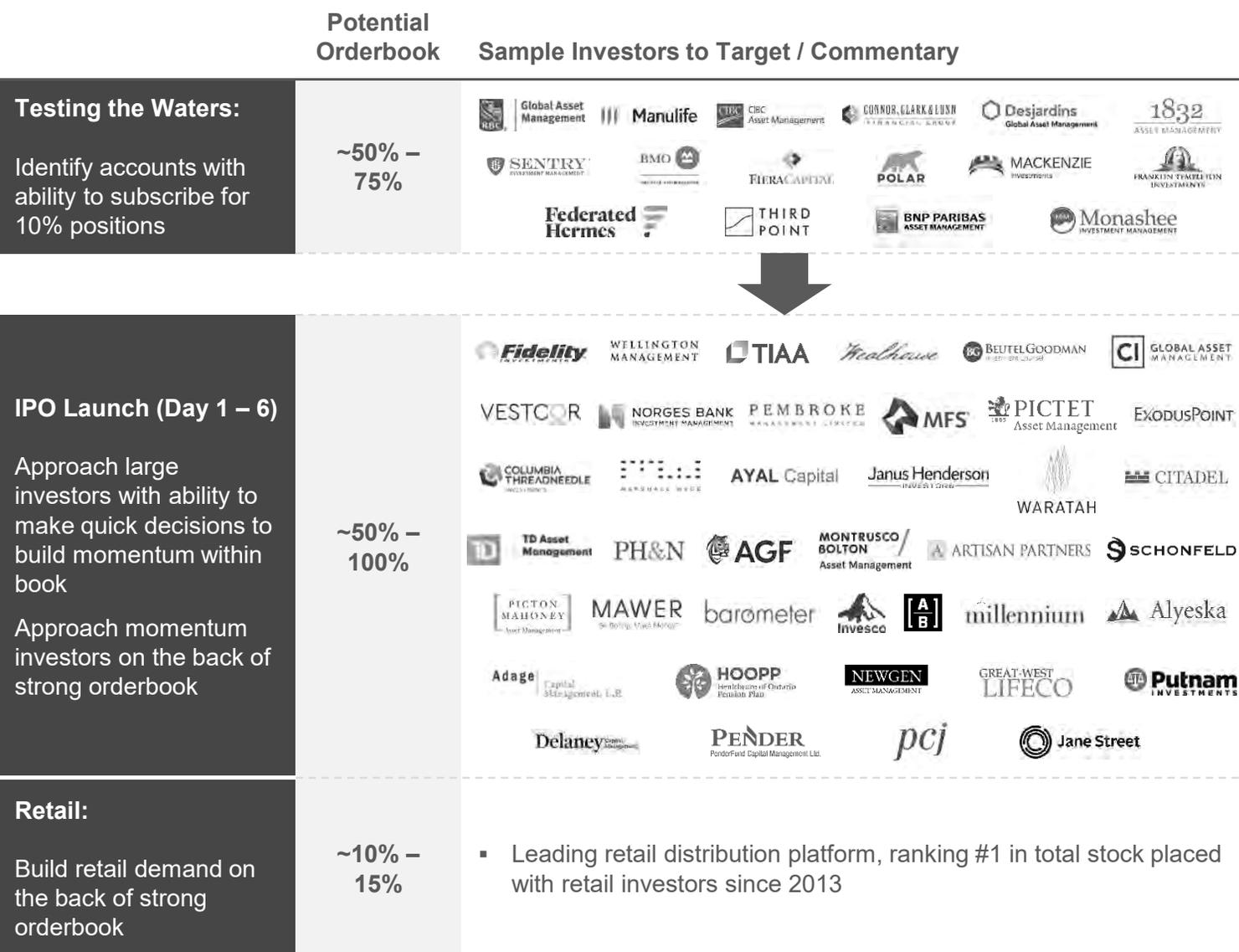
- Most IPOs have retained a roadshow consultant despite roadshows being conducted virtually
- Assist management in effectively communicating the story to investors

When-Issued Trading

- When-issued trading has become increasingly prominent in Canadian IPOs. Allows for shares to begin trading after pricing, rather than waiting until close of the IPO
- U.S. IPOs commonly trade on a when-issued basis

Illustrative Marketing Process

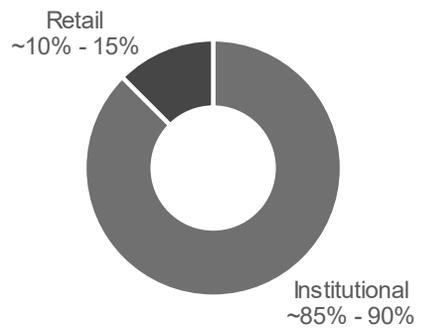
- Recent IPOs have successfully used Testing the Waters to enhance pricing and demand tension by launching deals with strong indicative orders



Expected Demand by Geography



Expected Institutional / Retail Split



Testing the Waters Will Help Drive Early Book Build Momentum & Maximize IPO Success

Illustrative TSX Timeline – Medipure IPO Can be Completed in 3 - 4 Months

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Timing Considerations

- An IPO process can be completed in 3-4 months on the TSX
- For optimal timing, Scotiabank will closely monitor investor sentiment and broad market environment when Medipure is prepared to launch
- Use investor feedback from Testing the Waters (TTW) process to determine market receptivity for launch
- Track IPO pricing environment and performance of comparables
- IPO timeline can be expedited or extended depending on Medipure's state of preparedness and desire to access the public markets

Month 1

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Month 2

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Month 3

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Month 4

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

- Organizational Meeting
- Testing the Waters
- File Confidentially
- OSC Review Period
- File Publicly
- IPO Roadshow
- Pricing / File Final / Trading
- Close Transaction

Detailed Timeline

Key Item	Task	Responsibility
IPO Preparation <i>(Week 1 – Week 9)</i>	Org. call, drafting, and underwriters' due diligence	All parties
	Distribute and review financial model and projections	Company, BR
	Underwriters receive internal approval	BR
	Prepare and rehearse TTW presentation	Company, BR
	Technical due diligence	Company, BR
Testing the Waters <i>(Week 9-10)</i>	Host syndicate analyst day with management	Company, BR
	Launch TTW meetings in advance of confidential filing	
	Management presentations to selected accounts 1 – 2 weeks	
Confidential Filing <i>(Week 10)</i>	TTW meetings in Canada must be completed 15 days prior to the first public filing	Company, BR
	– Potential to extend to U.S. accounts without impacting timing of public filing	
Regulatory Review & Pre-Launch Prep <i>(Week 10 – Week 12)</i>	Confidentially file prospectus with the provincial regulator	All parties
	Await initial comments from the provincial regulator	All parties
	Respond to all comments from the provincial regulator	All parties
	Confidentially file amendments	All parties
	Progress underwriting agreement, legal opinions, and comfort letter	All parties
Public Filing <i>(Week 13)</i>	Continue due diligence	Company, CC, UC
	Kick off / dry run with salesforce	All parties
IPO Roadshow <i>(Week 13 – Week 14)</i>	Publicly file preliminary prospectus with price range after addressing provincial regulator comments	All parties
	Roadshow / meetings with institutional accounts	Company, BR
	Monitor and respond to investor feedback	BR
	Provide company with color and investor feedback	BR
Pricing & Closing <i>(Week 14 – Week 15)</i>	Convert investor interest into demand and build order book	BR
	Price and allocate transaction	Company, BR
	File final prospectus and begin trading on a "when issued" basis	Company, CC, UC
	Close transaction and receive funds	All parties
	Exercise over-allotment option (if applicable)	BR

Recommended Syndicate Structure⁻⁵³⁻

Syndicate Recommendation

Joint Active Bookrunners (~60% – 70%)



Senior Co-Managers



RAYMOND JAMES

STIFEL

Role

Responsibilities

Bookrunners

- Advise on timing, structure, and sizing of the offering
- Determine target investors
- Leverage institutional relationships and retail distribution platform to create competing channels of demand
- Hosting Testing the Waters and IPO meetings with investors; commencing in advance of confidential filing
- Manage institutional book build and allocation process
- Determine IPO price

Co-Managers

- Provide incremental retail distribution and ongoing research coverage

Syndicate Structure for Canadian IPOs⁽¹⁾

Pricing Date	Issuer	Final Deal Size (C\$MM)	Syndicate			Total Economics (%)		
			Active BR	Passive BR	Co-Man	Active BR	Passive BR	Co-Man
Pending	Dialogue	~\$100	4	-	6	72.5%	0.0%	27.5%
25-Feb-21	Altius Renewable Royalties	\$100	2	-	6	50.0%	0.0%	50.0%
24-Feb-21	Farmers Edge	\$144	2	-	3	70.0%	0.0%	30.0%
18-Feb-21	Loop Energy	\$100	1	-	4	55.0%	0.0%	45.0%
12-Feb-21	ABC Technologies	\$110	3	1	4	70.0%	10.5%	19.5%
17-Dec-20	MindBeacon Holdings	\$75	2	-	4	70.0%	0.0%	30.0%
21-Oct-20	BBTV	\$172	2	1	5	65.0%	11.5%	23.5%
19-Oct-20	Topaz Energy	\$263	2	-	12	51.0%	0.0%	49.0%
24-Sep-20	Flagship Communities REIT	US\$108	2	-	7	55.0%	0.0%	45.0%
13-Jul-20	Dye & Durham	\$173	4	-	2	85.0%	0.0%	15.0%
04-Dec-19	Andlauer Healthcare Group	\$173	2	-	7	59.0%	0.0%	41.0%
01-Oct-19	Docebo	\$75	2	-	4	62.5%	0.0%	37.5%
31-Jul-19	Sundial Growers	US\$143	3	2	1	81.0%	14.8%	4.1%
07-Mar-19	Lightspeed POS	\$276	3	-	4	72.5%	0.0%	27.5%
Average			2	0	5	65.6%	2.6%	31.8%

(1) Includes IPOs between \$75 million – \$300 million; excludes SPACs

Scotiabank Recommends Two Bookrunners

Key Next Steps for IPO and Being Public Company Ready

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<p>Determine Primary Objectives</p>	<ul style="list-style-type: none"> ▪ Determine target capital structure ▪ Capital raise amount determination and treasury / secondary considerations
<p>Determine Management & Corporate Governance Structure</p>	<ul style="list-style-type: none"> ▪ Recruit any new management or Board members, as required
<p>Audited IFRS Financial Statements</p>	<ul style="list-style-type: none"> ▪ Prepare with auditor: Three (3) years for statement of comprehensive income, statement of changes in equity and statement of cash flow as well as two (2) years for statement of financial position ▪ Most recent unaudited interim financial report and comparative period ▪ Ensure ability to meet ongoing, quarterly, and annual disclosure requirements
<p>Finalize Financial Model</p>	<ul style="list-style-type: none"> ▪ Finalize forecast, including support for key assumptions
<p>Prepare Documentation</p>	<ul style="list-style-type: none"> ▪ Documentation includes marketing materials, third party studies (as applicable), shareholders' agreements, and lock-ups ▪ French translation required
<p>Complete Scientific, Financial, and Corporate Due Diligence</p>	<ul style="list-style-type: none"> ▪ Provide management presentations and data room access ▪ Bookrunners' research analysts "wall-crossed" to conduct due diligence and provide initial views on valuation ▪ Accommodate site visits, as appropriate ▪ Engage consultants to assist in due diligence ▪ Attend to information requests
<p>Refine Marketing Story and Positioning</p>	<ul style="list-style-type: none"> ▪ Establish investor relations function and necessary website modifications

Scotiabank Will Work to Streamline Any Timeline Gating Items To Ensure a Successful IPO

Scotiabank is the IPO Bookrunner of Choice for Medipure

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\$59B Aggregate Amount Raised by Scotiabank for Our Clients in 2020

\$30B Aggregate Amount Raised by Scotiabank for Our Canadian Non-Resource Clients Since 2020

9 Bookrun IPOs in Canada by Scotiabank Since 2020, #1 by Deals

68 Bookrun Canadian Equity Deals by Scotiabank Since 2020, #2 Bank-Owned Dealer by Bookrun Deals

13% Total Market Share of Underwritten Equity in Canada by Scotiabank Since the Onset of COVID-19

\$17B Aggregate Amount of Stock Placed to Scotiabank Retail Investors Since 2013, #1 Ranked Bank in Canada

Select Recent IPO Mandates

 C\$400 Million IPO of Common Shares Joint Bookrunner April 2021	 C\$100 Million IPO of Common Shares Joint Bookrunner March 2021	 C\$108 Million IPO of Common Shares Joint Bookrunner February 2021	 C\$110 Million IPO of Common Shares Lead Bookrunner February 2021
 US\$365 Million IPO of Units Lead Bookrunner February 2021	 US\$1.1 Billion IPO of SVS Joint Bookrunner January 2021	 C\$172 Million IPO of SVS Joint Bookrunner October 2020	 C\$263 Million IPO of Common Shares Joint Bookrunner October 2020

Other Notable Bookrunner Mandates

 C\$58 Million Common Shares Left Bookrunner March 2021	 C\$1.3 Billion Common Shares Joint Bookrunner March 2021	 C\$200 Million Preferred Shares Left Bookrunner March 2021	 C\$250 Million Common Shares Left Bookrunner February 2021
 C\$191 Million⁽¹⁾ Sub. Receipts and Private Placement by CDPQ Joint Bookrunner January 2021	 Aggregate C\$1.5B IPO / Common Shares / Convertible Debentures Joint Bookrunner 2020 & 2021	 IPO Direct Listing Financial Advisor September 2020	 US\$2.2 Billion IPO of SVS & TEUs Joint Bookrunner March 2020

Scotiabank is Committed to Medipure's Success



(1) Includes \$122 million offering of common shares and \$69 million private placement by CDPQ

Supplemental IPO Materials

Appendix 1

Biotech Peers Overview – Clinical Pain Management and ECS Peers

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US\$ millions, unless otherwise stated

Company	Market Capitalization	Lead Drug Candidate	Treatment Area	Stage of Development	Potential Market Size ⁽¹⁾	Estimated Year in Market ⁽²⁾
Clinical Pain Management Peers						
Tonix Pharmaceuticals Holding Corp.	\$375.8	TNX-102 SL	Fibromyalgia	Phase 3	-	2023
Aptinyx Inc.	\$194.0	NYX-2925	Painful Diabetic Neuropathy / Fibromyalgia	Phase 2	-	2025
Antibe Therapeutics Inc.	\$186.4	Otenaproxesul	Osteoarthritis Pain	Phase 3	\$30,000	2024
Clinical Endocannabinoid System Peers						
Corbus Pharmaceuticals Holdings, Inc. ⁽³⁾	\$228.8	Lenabasum	Dermatomyositis / Systemic Lupus Erythematosus	Phase 3	-	2022

Source: Capital IQ (as at April 7, 2021), company filings, analyst research

(1) Based on company estimates

(2) Based on analyst research if not provided by company

(3) In September 2020, Corbus' Lenabasum drug failed phase 3 trials for treatment of secular sclerosis, leading to a 76% decrease in share price. In October 2020, Lenabasum failed phase 2 trials for treatment of cystic fibrosis, leading to a further 36% decrease in share price. Corbus continues to explore the drug's potential to treat other conditions through phase 3 trials for dermatomyositis and phase 2 trials for systemic lupus erythematosus

Limited Universe of Non-Cannabis Comparables in Either Clinical Pain Management or ECS

Biotech Peers Overview – Recent Clinical Biotech IPOs >US\$50 Million

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US\$ millions, unless otherwise stated

Company	Market Capitalization		Lead Drug Candidate	Treatment Area	Stage of Development	Potential Market Size ⁽¹⁾	Estimated Year in Market ⁽²⁾	Gross Proceeds Raised at IPO
	At IPO	Current						
Recent Clinical Biotech IPOs								
Applied Molecular Transport Inc.	\$640.6	\$2,296.9	AMT-101	Ulcerative Colitis	Phase 2	-	2027	\$154.0
Prelude Therapeutics Incorporated	\$1,163.7	\$1,995.0	PRT543	Selected Solid Tumors, Selected Myeloid Malignancies	Phase 1	-	-	\$158.2
Zentalis Pharmaceuticals, Inc.	\$130.0	\$1,685.5	Zn-c5	Breast Cancer	Phase 2	-	2024 - 2026	\$165.2
Kronos Bio, Inc.	\$1,519.0	\$1,569.3	ENTO	Acute Myeloid Leukemia	Phase 2	-	2025	\$250.0
Cullinan Oncology, Inc.	\$355.8	\$1,564.0	CLN-081	Non-Small Cell Lung Cancer	Phase 2	-	2024 - 2027	\$249.9
Silverback Therapeutics, Inc.	\$884.9	\$1,516.7	SBT6050	Breast Cancer, Gastric Cancer, Non-Small Cell Lung Cancer	Phase 1	-	2026	\$241.5
Olema Pharmaceuticals, Inc.	\$1,912.9	\$1,272.0	OP-1250	Breast Cancer	Phase 1	\$10,000	2026 - 2028	\$209.0
Praxis Precision Medicines, Inc.	\$1,025.8	\$1,208.0	PRAX-114	Major Depressive Disorder, Perimenopausal Depression	Phase 2	-	2024	\$190.0
iTeos Therapeutics, Inc.	\$664.4	\$1,185.3	Inupadenant	Solid Tumors	Phase 2	-	2025	\$201.1
Annexon, Inc.	\$665.8	\$989.8	ANX005	Guillan-Barré Syndrome, Warm Autoimmune Hemolytic Anemia, Huntington's Disease, ALS	Phase 3	-	2025	\$250.8
Connect Biopharma Holdings Limited	\$984.7	\$909.0	CBP-201	Atopic Dermatitis, Asthma, CRSwNP	Phase 2	\$19,300	-	\$191.3
Gracell Biotechnologies Inc.	\$1,622.7	\$893.1	GC012F	Multiple Myeloma	Phase 1	-	2024 - 2025	\$209.0
ORIC Pharmaceuticals, Inc.	\$787.0	\$848.5	ORIC-101	Prostate Cancer, Other Solid Tumors	Phase 1	-	2024	\$120.0
Aligos Therapeutics, Inc.	\$569.8	\$837.0	ALG-010133	Chronic Hepatitis B	Phase 1	-	2028	\$150.0
Taysha Gene Therapies, Inc.	\$861.6	\$728.4	TSHA-101 / TSHA-118	Infantile GM2 Gangliosidosis / CLN1 Disease	Phase 1	-	2024	\$157.4
Achilles Therapeutics plc	\$672.3	\$634.1	CHIRON	Advanced Non-Small Cell Lung Cancer	Phase 2	-	-	\$175.5
Inozyme Pharma, Inc.	\$382.1	\$508.3	INZ-701	ENPP1 and ABCC6 deficiencies	Phase 1	-	2024	\$112.0
NexImmune, Inc.	\$431.3	\$484.0	NEXI-001 / NEXI-002	Acute Myeloid Leukemia / Multiple Myeloma	Phase 2	-	2025	\$110.0
Freeline Therapeutics Holdings plc	\$637.1	\$466.0	FLT180a	Haemophilia B	Phase 2	-	2025	\$158.8
Sensei Biotherapeutics, Inc.	\$583.3	\$448.9	SNS-301	Head & Neck Cancer	Phase 2	\$36,000	2025 - 2026	\$133.0
Spruce Biosciences, Inc.	\$385.1	\$395.8	Tildacerfont	Congenital Adrenal Hyperplasia	Phase 2	\$3,000	2024	\$90.0
Oncorus, Inc.	\$377.0	\$369.2	ONCR-177	Solid Tumors	Phase 1	-	2025	\$87.0
Galecto, Inc.	\$388.1	\$153.6	GB0139	Fibrotic Lung Diseases	Phase 2	-	-	\$85.0
Metacrine, Inc.	\$327.0	\$145.2	MET409 / MET642	NASH / Inflammatory Bowel Disease	Phase 2	-	2027	\$85.0

Source: Capital IQ (as at April 7, 2021), company filings, analyst research

Note: Excludes IPOs on venture exchanges and IPOs <US\$50 million;

(1) Based on company estimates

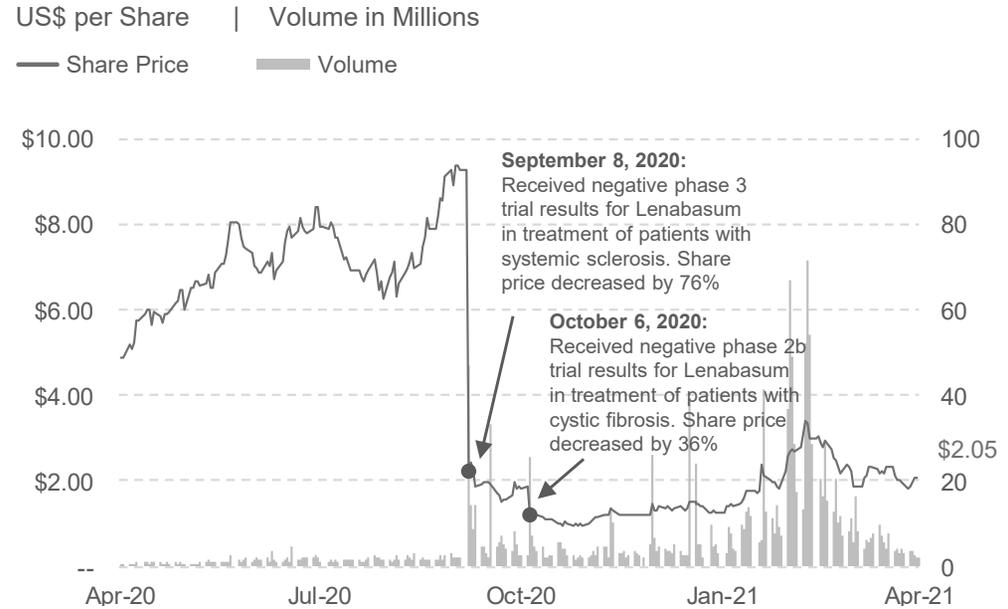
(2) Based on analyst research if not provided by company

Corbus Pharmaceuticals Case Study

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- Corbus Pharmaceuticals is a Phase 3 clinical-stage pharmaceutical company focused on the development and commercialization of novel therapeutics that target the endocannabinoid system in the fields of autoimmunity, fibrosis, and cancer
- Currently developing a pipeline of drug candidates across several distinct programs, including small molecules as well as biologics, while also evaluating potential external candidates complimentary to their existing programs
- Lenabasum, Corbus' lead product candidate, is a novel, synthetic, oral, selective cannabinoid receptor type 2 (CB2) agonist that resolves chronic inflammation and limits fibrosis
- Recently completed Phase 3 study in September 2020 for systemic sclerosis and phase 2b study in October 2020 for cystic fibrosis did not show positive outcomes for the drug's efficacy, leading to a combined 86% decrease in share price
 - Currently being evaluated for treatment of Dermatomyositis and Systemic Lupus Erythematosus in phase 3 and phase 2 trials, respectively
 - Granted Orphan Drug Designation for the treatment of dermatomyositis from the U.S. FDA and the European Medicines Agency
- Corbus licensed the exclusive worldwide rights to develop, manufacture, and market drug candidates from novel compounds targeting the endocannabinoid system from Jenrin Discovery LLC

Price Volume Chart



Pipeline

Drug Name (Application)	Preclinical	Phase 1	Phase 2	Phase 3
Lenabasum				
<i>Systemic Sclerosis</i>	██████████	██████████	██████████	██████████
<i>Dermatomyositis</i>	██████████	██████████	██████████	██████████
<i>Systemic Lupus Erythematosus</i>	██████████	██████████	██████████	
<i>Cystic Fibrosis</i>	██████████	██████████	██████████	
CRB-4001				
<i>Nonalcoholic Steatohepatitis (NASH)</i>	██████████			

Financial Summary

Current Share Price (April 7, 2021)	\$1.83
FD Shares Outstanding (millions)	125.0
Market Capitalization	\$228.8
Add: Debt	\$26.8
Less: Cash	(\$85.4)
Enterprise Value	\$170.2

(Based on Consensus Estimates)	2022E	2023E	2024E
EV / Revenue	9.5x	2.2x	0.9x
EV / EBITDA	neg	neg	3.3x
Price / Earnings	neg	neg	5.4x

Source: Capital IQ, company filings

Management and Board of Directors Considerations

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Management

- Need to define management structure the Company will adopt going forward
 - Clearly defined management roles, responsibilities, and reporting structure
- Need to demonstrate the Company’s management team’s depth of experience, expertise, commitment, and integrity
- Additional demands of preparing for and completing the IPO process

Board of Directors

Consideration	Best Practice / Regulatory Requirement
Board Size	<ul style="list-style-type: none"> ▪ Recommended size of 5 – 9 members
Composition of Board Members	<ul style="list-style-type: none"> ▪ No mandatory requirements, but investors will expect there to be some independent and Canadian representation
Complementary Skill Sets	<ul style="list-style-type: none"> ▪ Strong Board structures have a mix of industry, accounting, regulatory, and legal expertise
Audit and Compensation Committees	<ul style="list-style-type: none"> ▪ Increased scrutiny on audit process, compensation practices, and review of company procedures ▪ Requirement for all directors on audit committee to be independent once Canadian residents own more than 10% of shares
Other	<ul style="list-style-type: none"> ▪ Independent Board members should hold separate, regular meetings without management team members ▪ Pre-determined definitions of Board powers, roles, and conflict resolution procedures should be well-defined ▪ Board should have structures and procedures that ensure it can function independently of management, including separation of the Chair and CEO

Corporate Governance Resources -61-

- Effective Boards are essential for success and critical for constructive and productive relations with key stakeholders
 - Corporate governance, including ensuring a gender-diverse Board, can greatly influence company culture and performance
- Scotiabank has a number of programs and resources available to help Medipure select qualified candidates for its Board

Large Network of Directors Across Scotiabank Clients

- Scotiabank has access to a broad network of Board directors

Scotiabank Women Initiative Board-Ready Database

- The Scotiabank Women Initiative created a curated, comprehensive database of **over 100 highly qualified, senior women who have exceptional business experience and are solid candidates for Board seats**
- The Board-Ready Database is a great tool used to support Scotiabank’s corporate clients, as they look to diversify and strengthen their Boards

Corporate Governance Programs

- The Scotiabank Women Initiative has designed a program to **support corporate clients in their drive to increase the diversity of their Boards** and support women on their path to Board participation
 - Through this program, Scotiabank has access to a network of women in senior leadership roles who are strong candidates for Board roles
- Scotiabank has organized a Board Summit which hosts a select group of chairs and directors from some of the largest companies in North America for discussions that focus on the modern and changing demands of Board accountability



Scotiabank
WOMEN
INITIATIVE

Broad Resources and Outstanding Network to Support Medipure in Selecting Experienced Board Members

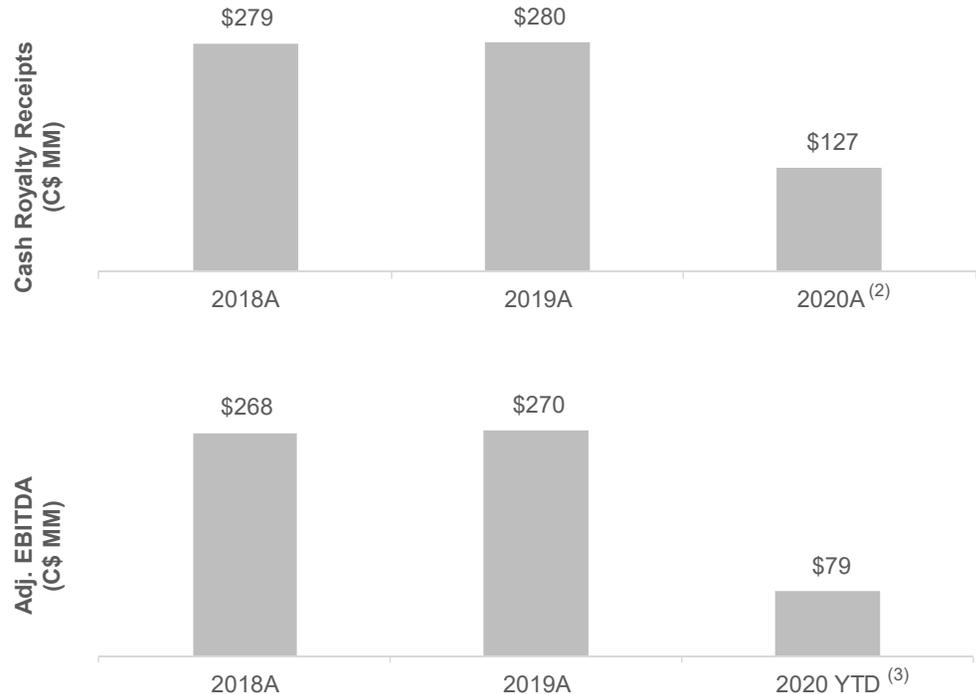
IPO Case Studies

Appendix 2

Overview

- DRI is a trust focused on acquiring global pharmaceutical royalties focused on managing and growing a diversified portfolio of pharmaceutical royalties to deliver attractive growth in cash royalty receipts over the long term
- Overseen the development of over US\$2 billion of capital in 61 royalty streams on 37 products since the formation of its first privately managed fund in 2006
- Immediately following the offering, DRI will acquire the “Seed Assets”, a portfolio of 18 royalties derived from the sales of 14 different pharmaceutical products focused on eight therapeutic areas

Historical Performance



(1) Available cash defined as cash generated from operating activities, less interest paid, debt repayment obligations on our securitization indebtedness and debt issuance costs
 (2) 2020 represents the aggregate of the 9 months ended September 30, 2020 and preliminary unaudited financials for the period ended December 31, 2020
 (3) YTD as at September 30, 2020

Scotiabank Acted as Lead Bookrunner on the IPO

US\$400 Million
 IPO of Units

Lead Bookrunner
 February 2021

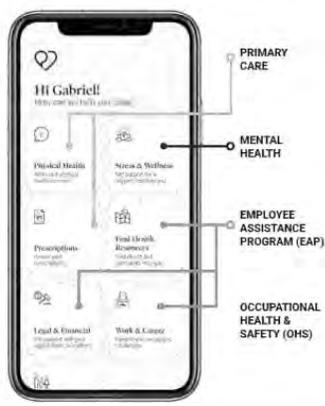
Offering Summary

Offering	<ul style="list-style-type: none"> ▪ US\$365 million (+15% over-allotment option), and Concurrent private placement of US\$34 million (combined gross proceeds of US\$400 million) ▪ Priced at US\$10.00 per unit (marketing range of US\$10.00 - US\$11.00 per unit)
Use of Proceeds	<ul style="list-style-type: none"> ▪ ~US\$293 million of the net proceeds will be used to acquire the Seed Assets ▪ The remainder of the net proceeds will be used to fund future royalty acquisitions and general purposes
Dividend	<ul style="list-style-type: none"> ▪ Target payout of 20% to 30% of available cash generated annually⁽¹⁾
Closing Date	<ul style="list-style-type: none"> ▪ February 19, 2021
Allocation	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Retail 15%</p> <p>Institutional 85%</p> </div> <div style="text-align: center;"> <p>U.S. 19%</p> <p>Canada 81%</p> </div> </div>

Overview of Dialogue

Dialogue is Canada's premier business-to-business provider of virtual healthcare solutions to organizations of all sizes offered through its Integrated Health Platform™

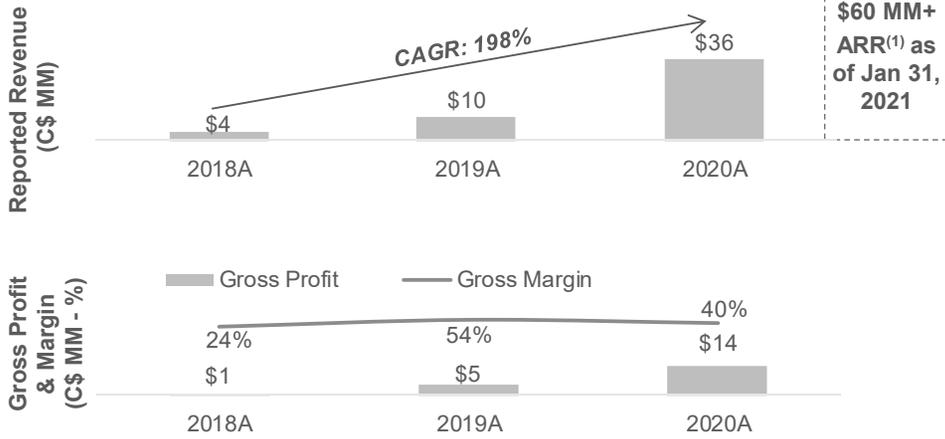
- Dialogue's Canadian platform connects its primary care, mental health, and EAP programs into one consistent user experience
 - Dialogue also offers occupational health and safety services in Germany
- Dialogue currently serves over 50,000 customers with over 1MM paying members having access to its Canadian virtual platform or ~2.5MM including members' dependents



IPO Overview (C\$MM)

Offering	<ul style="list-style-type: none"> IPO of common shares
Offering Price	<ul style="list-style-type: none"> \$12.00 per share (Marketing range of \$9.00 - \$12.00 per share)
Offering Size	<ul style="list-style-type: none"> \$100MM, with a 15% over-allotment option <ul style="list-style-type: none"> Base deal is 100% treasury Over-allotment option is 100% secondary
Aggregate Demand	<ul style="list-style-type: none"> Offering was ~10x oversubscribed Demand of ~\$1.0 billion from 69 accounts
Valuation	<ul style="list-style-type: none"> TEV / Post-Money Market Cap.: \$715 MM / \$844 MM 13.3x EV / LQA Revenue at IPO (\$54 MM) 11.9x EV / ARR⁽¹⁾ Revenue at IPO (\$60 MM)
Use of Proceeds	<ul style="list-style-type: none"> ~\$30MM to \$35MM to expand its product offering & continuum of care; (ii) ~\$20MM to \$28MM to build & implement health services in new end-markets; and (iii) ~\$20MM to \$28MM to support growth of customers Dialogue may also use a portion of the proceeds for acquisitions
Listing	<ul style="list-style-type: none"> TSX:CARE
Closing Date	<ul style="list-style-type: none"> March 30, 2021

Historical Performance



Demand Overview

Dialogue

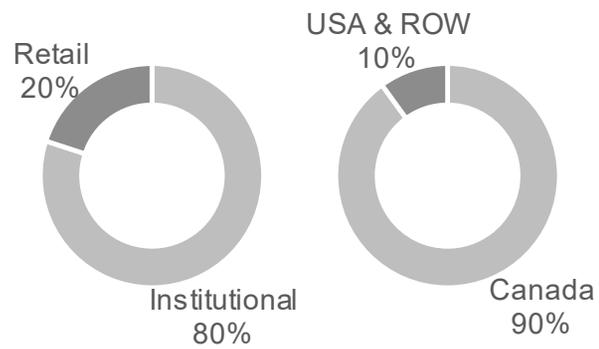
\$100,008,000

Initial Public Offering
Common Shares

Scotiabank

Joint Bookrunner

March 2021



(1) Annual Recurring and Reoccurring Revenue

Offering was ~10x Oversubscribed

Overview of MDA

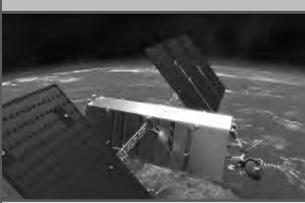
MDA is one of the most advanced space technology and service providers to the burgeoning global space industry

Robotics & Space Operations



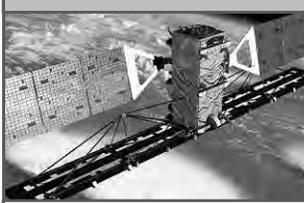
Enable humanity's exploration of space by providing autonomous robotics and vision sensors

Satellite Systems



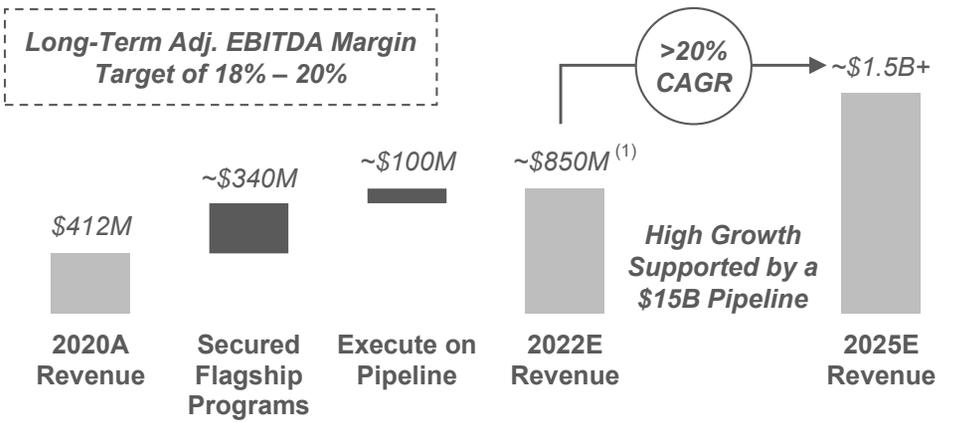
Systems and spacecraft to enable space-based services

Geointelligence



Satellite-generated imagery and data to deliver critical and value-added insights

Financial Projections (C\$MM)



(1) Represents the mid-point of the guidance range disclosed in the prospectus; (2) Based on mid-point of 2022E adjusted EBITDA target range of \$160 - \$180 million

IPO Overview

Offering	▪ IPO of common shares
Offering Size	▪ \$400 million (100% treasury)
Offering Price	▪ \$14.00 per share
Aggregate Demand	▪ Deal was ~1.5x oversubscribed and anchored by significant U.S. shareholders
Valuation	▪ TEV of \$1.7 billion ▪ EV/2022E EBITDA of 10.3x ⁽²⁾
Use of Proceeds	▪ Reduce outstanding indebtedness and fund ongoing growth initiatives (particularly the development of SARnext)
Lock-Up	▪ 180 days (100% of pre-IPO shareholders)
Pricing Date	▪ April 1, 2021
Listing	▪ TSX:MDA

Scotiabank has Acted as a Trusted Partner to MDA

 <p>\$400,001,000 Initial Public Offering of Common Shares</p> <p>Joint Active Bookrunner April 2021</p>	 <p>\$515,000,000 Credit Facilities</p> <p>Admin. Agent Co-Lead Arranger Co-Underwriter April 2020</p>	<p>A consortium led by</p>  <p>Has acquired</p>  <p>for</p> <p>\$1,000,000,000</p> <p>Financial Advisor April 2020</p>
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MDA is a Leader Across the Space Economy

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