

**IN THE MATTER OF THE AMENDED JOINT PROPOSAL OF
ARTIVA INC. AND LIVEWELL FOODS CANADA INC.
OF THE CITY OF OTTAWA
IN THE PROVINCE OF ONTARIO**

**SUPPLEMENTAL REPORT OF THE PROPOSAL TRUSTEE ON THE
FINANCIAL SITUATION OF THE DEBTOR AND THE PROPOSAL
(Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act*)**

On June 12, 2020, Artiva Inc. (“**Artiva**”) and LiveWell Foods Canada Inc. (“**LiveWell**”, and collectively with Artiva, the “**Company**”) filed a Joint Proposal (the “**Proposal**”). On July 15, 2020, in advance of the general meeting of creditors to vote on the Joint Proposal which was held on July 28, 2020 at 10:00 am, 2020 (the “**General Meeting**”), the Proposal Trustee issued its report on the Joint Proposal, which included an outline of the background and financial position of the Company and relevant information that should be of assistance to the Company’s creditors in considering their position with respect to the Proposal being presented by the Company to its creditors. The General Meeting was adjourned and has been scheduled to reconvene on August 28, 2020 at 9:30 am (the “**Reconvened Meeting**”). On August 26, 2020, the Company filed an Amended Proposal and this supplemental report (the “**Supplemental Report**”) is intended to identify for the Company’s creditors the amendments the Company has made and the Proposal Trustee’s recommendation with respect to the Amended Proposal.

In preparing this Supplemental Report, the Proposal Trustee has relied upon prior year comparative audited financial information, and unaudited financial information prepared by the Company’s representatives (“**Management**”), the Company’s books and records, discussions with Management and the Company’s legal counsel (the “**Information**”). The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Generally Accepted Assurance Standards (“**Canadian GAAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook*. Accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under Canadian GAAS in respect of the Information.

Some of the information referred to in this Supplemental Report consists of financial projections. An examination or review of the financial forecasts and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.

Future oriented financial information referred to in this Supplemental Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

While this Supplemental Report does reference some of the known impacts of the Coronavirus pandemic (“**COVID-19**”) on the Company’s operations, there may be further impacts not yet identified that may impact sales, production, supply chain or any other aspect of the business, which may have an adverse

impact on the performance of the Company and its ability to meet its financial projections. Readers should consider the increasingly broad effects on the financial condition of the Company, as a result of the negative impact on Canada, the global economy and major financial markets from COVID-19.

Unless otherwise stated, monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this Supplemental Report have the meanings attributed to such items in the Proposal. Should there be any discrepancy between this Supplemental Report and the Amended Proposal, the terms of the Amended Proposal shall govern. Creditors are advised to read the Amended Proposal.

Amended Proposal

A copy of the Amended Proposal has been posted on the Proposal Trustee's website and includes in blackline the amendments that have been made to the Proposal. The following is a summary of the material amendments:

- Schedule A has been appended to the Amended Proposal which sets out the Plan of Arrangement pursuant to section 192 of *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "CBCA") involving Artiva and LiveWell;
- Schedule B has been appended to the Amended Proposal which sets out the Reorganization of New Artiva pursuant to section 191 of the CBCA;
- the Certificates that are to be issued to creditors will now have secured status, and will be secured by a general security agreement in all of New Artiva's present and after acquired property as well as a collateral charge/mortgage against all of the real property owned by New Artiva. The security will rank subordinate to the security held by the Secured Creditors, the Interim Lenders, and the beneficiaries of the Administrative Charge and will be postponed and subordinated to (i) any security granted by New Artiva in connection with the refinancing of up to 125% of the amount owing to the Secured Creditors, the Interim Lenders and the beneficiaries of the Administrative Charge; and (ii) any security granted by New Artiva in connection with any financing provided by a third-party that agrees to provide New Artiva with an operating line of credit or a factoring facility; and
- the releases contemplated in section 8.3(d) of the Amended Proposal have been amended to make clear that none of the Company's former directors shall be discharged or released from any statutory liability for a Claim, including a Claim by an employee for wages or vacation, and the Creditors may pursue the Company's former directors for any such Claim(s). This amendment is intended to clarify that former employees can pursue former directors for any employment-related claims.

Proposal Trustee's Recommendation

By granting a secured status to the Certificates, the Company has augmented what it is offering to unsecured creditors and improved their position vis-à-vis any unsecured creditors of New Artiva. Accordingly, the Trustee continues to recommend that the Unsecured Creditors accept the Amended Proposal in order to provide the Company's Unsecured Creditors with the opportunity to maximize their return from the Company's indebtedness to them.

Reconvened Meeting and Voting

The Reconvened Meeting to vote on the Amended Proposal will be held by Zoom Meeting on **August 28, 2020 at 9:30 am**. Creditors may attend the Reconvened Meeting to consider the Proposal either in person via Zoom Meeting or by proxy. The Zoom Meeting details are as follows:

Zoom Link: <https://deloitte.zoom.us/j/91539339289?pwd=WDF5MGRFuL3hlTDIxS1dINGNsaW1LZz09>

Password: 532508

-or-

Dial In # Canada - (613) 209-3054 or (647) 374 4685 or (438) 809-7799; US - (720) 928-9299

Meeting ID: 915 3933 9289

Password: 532508

Please note that only those creditors that filed a proven claim with the Proposal Trustee prior to the General Meeting will be entitled to vote at the Reconvened Meeting.

Creditors who do not wish to attend or be represented at the meeting but who wish to vote, or amend a previous voting letter, may forward their amended voting letters to the Proposal Trustee to the email address as noted below, or by facsimile at 416-601-6690 so as to be received prior to the Reconvened Meeting. Voting letters are available for download on the Proposal Trustee's website at <https://www.insolvencies.deloitte.ca/en-ca/pages/Eureka93.aspx>.

Should you have any questions in connection with the Amended Proposal or this Supplemental Report, please contact the undersigned at (416) 775-7326 or via email at hbricks@deloitte.ca.

Dated at Toronto, Ontario, this 27th day of August, 2020

Deloitte Restructuring Inc.
in its capacity as Proposal Trustee re
the Amended Joint Proposal of Artiva Inc. and
LiveWell Foods Canada Inc.



Per: Hartley Bricks, MBA, CA, CIRP, LIT
Senior Vice President