



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.: CV-22-00683056-00CL DATE: 13 September 2022

NO. ON LIST: 5

TITLE OF PROCEEDING: SPROUTLY, INC. et al

BEFORE JUSTICE: MADAM JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

| Name of Person Appearing | Name of Party | Contact Info |
|---------------------------------|-----------------|--|
| Rebecca Kennedy; Adrienne Ho | Counsel for App | rkennedy@tgf.ca ; aho@tgf.ca |
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For Other, Self-Represented:

| Name of Person Appearing | Name of Party | Contact Info |
|--------------------------|---------------------------|--|
| Kyle Peterson | Counsel for BDO (Monitor) | kpeterson@agmlawyers.com |
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| Graham Phoenix | Counsel for DIP Lender | gphoenix@loonix.com |
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ENDORSEMENT OF JUSTICE CONWAY:

All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Applicants' Motion Record for today's hearing.

The Applicants bring this motion for approval of the Transaction contemplated by the Asset Purchase Agreement, termination of the CCAA proceedings on the terms set out in the Termination Order, and approval

of the Sale Transaction. The motion is unopposed. The Monitor, in its Second Report, recommends the relief sought by the Applicants.

I am satisfied that the relief should be granted. The Applicants obtained and followed the Sale Process Order and ran the SISP as described in the Monitor's report. The process was unsuccessful. Ultimately, the DIP Lender made a credit bid for the Real Property and the Purchased Assets on the terms set out in the Asset Purchase Agreement. The Monitor says that this is the highest and best possible outcome for the Applicants' stakeholders for the reasons set out in paragraph 41 of its Second Report.

There is no interest in the licenses and a Notice of Cessation has been filed with Health Canada. The remaining inventory is to be sold to KCI, on an as is where is basis. The Monitor says that this is the highest and best possible outcome for the Applicants' stakeholders for the reasons set out in paragraph 53 of its Second Report.

Since the realization is now at an end, the Applicants intend to file assignments in bankruptcy. The Monitor says that this is reasonable, does not prejudice the stakeholders and provides for an expedient and efficient path toward winding down their business.

Counsel for the Applicants advised the court that they have had discussions with CRA and that it is not opposing the relief sought. CRA did not attend today.

Under the circumstances, I am approving the sale transactions and the termination of the CCAA proceeding. I have signed three orders and attached them to this Endorsement. They are effective from today's date and are enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is located at the bottom left of the page.