

COUNSEL SLIP

COURT FILE

NO.: CV-22-00678884-00CL

DATE: April 1, 2022

NO. ON LIST _____

TITLE OF
PROCEEDING

EVE & CO INTERNATIONAL HOLDINGS LTD. et al

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PLAINTIFF(S)

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JUDICIAL NOTES:

Conway J. Endorsement

This is the comeback hearing following the initial order that I granted on March 25, 2022.

The Applicants seek two orders today. Both are supported by the Monitor and are unopposed.

The first is an amended and restated initial order that provides as follows:

- the initial stay period, which expires on April 4, 2022, will be extended to August 26, 2022. I am satisfied that the Applicants are acting in good faith and with due diligence in pursuing a potential sale or investment that would see the business continue as a going concern. They have been communicating with stakeholders over the past week. The cash flow forecast will (subject to the increase in DIP) provide sufficient liquidity during the extended period. On the basis of the materials before me, no creditor will be materially prejudiced by the extension. I grant the extension of the initial stay period to August 26, 2022.

- The DIP loan, which was limited to \$1.2 million during the initial period, will be increased to \$2.2 million and the DIP charge increased accordingly. According to the Monitor, the initial DIP loan was fully used up during the initial period. The additional funding is required to enable the Applicants to meet their operating costs during the extended period and complete the sale/investment process. The requirement for this additional funding is supported by the cash flow forecast for the extended period. It is supported by RBC and the Monitor and not opposed by any creditor. I am satisfied that the increase in the DIP loan and charge should be granted.
- The administration charge will be increased from \$150,000 to \$500,000 during the extended period, which is reasonable to me given the amount of work that will be required over the next few months. I approve the increase in the administration charge.

The second is a sale process (**SISP**) approval order. The Applicants seek this order to maximize the value of the group's assets. There are a number of possible strategic initiatives that are being contemplated. The SISP was developed in consultation with, and will be administered by, the Monitor. It has the support of RBC and the DIP lender. Other stakeholders have been made aware of the Applicants' intention to seek approval of the SISP over the past week and none have opposed. The timelines in the proposed order are reasonable. In that regard, the order seeks a motion date on August 24 or 26, 2022 depending on whether or not there is an auction. I have directed counsel to contact the Commercial List office and secure one hour on both of those dates to appear before me. Once it is known whether an auction is being conducted, they can confirm one of those dates and vacate the other.

If further directions or orders on this matter are required, counsel may arrange another attendance before me through the Commercial List office.

I have signed both the amended and restated initial order and the sale process approval order and attached them to this endorsement. These orders 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.