

District of: Nova Scotia
Division of: 01-Halifax
Court No. 45907
Estate No. 51-3134197

Supreme Court of Nova Scotia
In Bankruptcy and Insolvency

**In the matter of the Notice of Intention to make a proposal of Motryx Inc. pursuant to the
Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended**



Notice of Application

To: The parties listed in Schedule "A"

The applicant requests an order against you

The applicant, Motryx Inc., is applying to the registrar in chambers for an order:

- a) abridging notice periods and service requirements pursuant to section 6 of the *Bankruptcy and Insolvency General Rules*;
- b) approving a debtor-in-possession facility term sheet ("**DIP Agreement**") executed by the Applicant on September 17, 2024, with Aerocom GBMH & Co. (the "**DIP Lender**") pursuant to which this DIP Lender has agreed to advance to the Applicant a total amount of \$360,000.00;
- c) approving pre-filing payments of the employees of the Applicant and counsel working on securing and maintaining its patents as critical suppliers;
- d) granting the following priority charges as against the assets, property, and undertakings of the Applicant (the "**Property**") which charges shall rank in priority to all other secured interests, trust, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively "**Encumbrances**") in favour of any person:
 - i. an **Administration Charge** against the Property in the amount of \$125,000.00 as security for the payment of the professional fees and disbursements incurred and to be incurred by BDO Canada Limited (the "**Proposal Trustee**"), counsel to the Proposal Trustee and counsel to the Applicant in connection with this proceeding and before and after making this order; and

- ii. **“DIP Lender Charge”** against the Property as security for the Applicant’s obligations under the DIP Agreement pursuant to s. 50.6 of the *Bankruptcy and Insolvency Act*.
- e) extending the time for the Applicant to file a proposal under the BIA by 45 days, commencing from and including October 27, 2024, up to and including December 11, 2024, pursuant to section 50.4(9) of the BIA; and

The applicant started this application by filing this notice on the date certified by the prothonotary.

Grounds for order

The applicant is applying for the order on the following grounds:

1. The Applicant, Motryx Inc., is a body corporate, incorporated pursuant to the laws of Canada with a registered office located at Halifax, Nova Scotia.
2. Motryx is in the business of delivering quality control and assurance in blood-specimen transport.
3. On September 27, 2024, Motryx filed a Notice of Intention to make a proposal (the “**NOI**”) pursuant to s. 50.4(1) of the *Bankruptcy and Insolvency Act*. BDO was appointed as Proposal Trustee under the NOI.
4. To preserve the going-concern value of the enterprise for the benefit of creditors and stakeholders, Motryx has canvassed for interim financing to meet its obligations during the restructuring proceeding. Motryx has obtained an interim financing commitment from of the shareholders of Motryx.
5. Motryx seeks an Order approving the DIP Agreement because the cash flow forecast demonstrates needs to draw under the DIP Agreement as soon as possible.
6. The DIP Agreement provides, among other things, that the DIP Agreement is contingent upon the granting of the priority charge over all property, assets, and undertakings of Motryx in favour of the DIP Lender to secure the obligations of Motryx under the DIP Agreement.
7. Section 64.2 of the BIA grants this Honourable Court the authority to declare that all of a debtor’s Property is subject to a security or charge, in an amount that it considers appropriate in respect of the fees and expenses of a trustee, trustee’s counsel and the debtor’s counsel (the “**Administration Charge**”).

8. The Company seeks an Administrative Charge over the Property in the maximum amount of \$125,000.00 to secure the fees and disbursements incurred with this NOI. This charge is proposed to rank in priority to all other security interests and charges including the DIP Lender Charge.
9. This Administrative Charge is necessary as Motryx requires the expertise, knowledge and continued participation of its advisors and professionals during the NOI in order to complete a successful restructuring. The Proposal Trustee has advised the Administrative Charge is reasonable and appropriate in the circumstances.
10. The initial stay of proceedings pursuant to s. 69 of the BIA expires on October 27, 2024. The stay of proceedings may be extended in increments of 45 pursuant to s.50.4(9) of the BIA.
11. Since the filing of the NOI, Motryx has worked diligently and in good faith toward developing a proposal to creditors and maximizing realization for its creditors and stakeholders. Among other things, Motryx, with the assistance of the Proposal Trustee, has engaged in discussions with its senior secured lender, Royal Bank of Canada ("RBC") to seek consensus in these restructuring proceedings.
12. Motryx is accordingly seeking an Order extending the stay of proceedings for a further 45 days pursuant to s. 50.4(9) of the BIA. The requested extension is a critical step to Motryx presenting a viable proposal to its creditors as the extension will provide Motryx the necessary breathing room to continue engaging with creditors and stakeholders, stabilize operations, and work toward a viable proposal, which may include equity investment in Motryx or a sale and investment solicitation process that is developed in consultation with stakeholders.
13. The Cash flow forecast demonstrates that Motryx, with advances under the DIP Agreement, will have sufficient cash flow to operate over the stay period.
14. If appropriate, Motryx seeks to abridge the time requirements for bring this Application pursuant to section 6 of the *Bankruptcy and Insolvency General Rules*.

Evidence supporting application

The applicant offers the following affidavits in support of the application:

1. affidavit of Niva Sabeshan sworn and filed with this Notice
2. the first report of the Proposal Trustee and filed with this Notice.

A copy of each affidavit is to be delivered to you with this notice, and further affidavits may be delivered before the deadlines provided in Civil Procedure Rule 5 – Application.

You may participate

You may file with the court a notice of contest, and any affidavits upon which you rely, no more than days after this notice is delivered to you or you are otherwise notified of the application. Filing the notice of contest entitles you to notice of further steps in the application, including notice of further affidavits.

Time, date, and place

The application is to be heard by the Registrar in chambers, on October 22, 2024, at 10:30 a.m., in The Law Courts, 1815 Upper Water Street, Halifax, Nova Scotia. You have the right to be present and to be represented by counsel, or to act on your own. If you are not present, the Registrar may proceed without you.

Possible order against you

The Registrar may grant a final order on the application without further notice to you if you fail to deliver your notice of contest on time, or if you or your counsel fail to appear in chambers at the above time, date, and place.

Filing and delivering documents

Any documents you file with the court must be filed at the office of the Prothonotary, 1815 Upper Water Street, Halifax, Nova Scotia, B3J 1S7 (telephone #424-6900).

When you file a document you must immediately deliver a copy of it to the applicant and each other party entitled to notice, unless the document is part of an *ex parte* motion, the parties agree delivery is not required, or the Registrar or a judge orders it is not required.

Contact information

The applicant designates the following address:

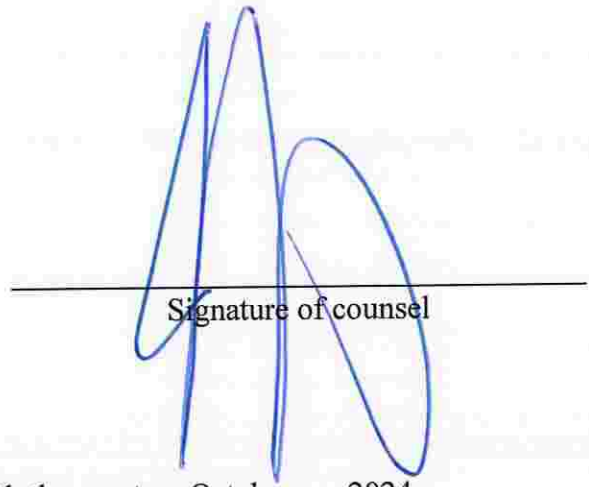
BOYNECLARKE LLP

Barristers and Solicitors
99 Wyse Road, Suite 600
Dartmouth, Nova Scotia
B3A 4S5

Documents delivered to this address are considered received by the applicant.

Further contact information is available from the prothonotary.

Signature
Signed October 15, 2024



Signature of counsel

Prothonotary's Certificate
I certify that this notice of application, was filed with the court on October __, 2024

Prothonotary

Schedule A – Service List

<p>AEROCOM GMBH & Co Adam-Riesse-Strase 26 D-73529 Schabisch Gmund, Germany Attn: Roland Pfizer roland.pfitzer@aerocom.de</p>	<p>ATLANTIC CANADA OPPORTUNITIES AGENCY P.O. Boc 2284 Station Central Halifax, NS B3J 3C8 Attn: Julia Pelton Julia.Pelton@ACOA-APECA.GC.CA</p>
<p>BAKERTILLY 130 Eileen Stubbs Ave. Suite 201 Dartmouth, NS B3B 2C4 Attn: Aida Mitchell amitchell@bakertilly.ca</p>	<p>BENNETT GROUP OF COMPANIES INC. 1131 Topsail Road St. John's, NL A1E 0G5 Attn: Cathy Bennett Cathy@sandpiper.vc</p>
<p>BURCOT PARK HOLDINGS INCORPORATED 1131 Studley Avenue Halifax, NS B3H 3R7 Attn: Bruce MacDougall Bruce.MacDougall@rci.rogers.com</p>	<p>CAMERON AND CO. INVESTMENTS LIMITED 5632 Morris Street Halifax, NS B3J 1C2 Attn: James Wilson david@wilsons.ca</p>
<p>CONCRETE VENTURES LIMITED PARTNERSHIP 244-1505 Barrington Street Halifax, NS B3J 1C2 phankinson@concrete.vc</p>	<p>DCW HOLDINGS INC. 2160 Newton Avenue Halifax, NS B3L 3B9 Attn: David C. Wilson david@wilsons.ca</p>
<p>EAST PORT HOLDINGS LIMITED 130 Eileen Stubbs Avenue – Suite 25 N Dartmouth, NS B3B 2C4 Attn: John Lindsay John.lindsay@eastportproperties.ca</p>	<p>G2S2 CAPITAL INC. 400-145 Hobsons Lake Drive Halifax, NS B3S 0H9 Attn: Mark Power powerm@geosam.ca</p>
<p>JCOVE HOLDINGS LIMITED 526 Purcell's Cove Road Halifax, NS B3P 2G3 Attn: William Adams bill.adams@eastlink.ca</p>	<p>KILLICK VENTURE FUND LP 95 Water Street, 2nd Floor P.O. Box 5383 Stn. C St. John's, NL A1C 5W2 Attn: Joe MacKenna mailto:jmckenna@killickcapital.com</p>

<p>MCINNES COOPER 1300-1969 Upper Water Street P.O. Box 730 Halifax, NS B3J 3R7 Attn: Robert Cowan robert.cowan@mcinnescooper.com</p>	<p>Chris Huskilson 230 Church Street Halifax, NS B2T 1A2 5h@eastlink.ca</p>
<p>RANDOM HOLDINGS LTD. 6130 Jubilee Road Halifax, NS B3H 2E8 david@wilsons.ca</p>	<p>ROYAL BANK OF CANADA 1801 Hollis Street Halifax, NS B3J 0C3 Attn: Aly Khalaf Aly.khalaf@rbc.com</p>
<p>MOTRYX INC. 1505 Barrington Street – Suite 100 Halifax, NS B3J 3K5 n.sabeshan@motryx.com</p>	<p>BDO CANADA LIMITED 255 Lacewood Drive Halifax, NS B3M 4G2 Attn: Neil Jones nejones@bdo.com</p>
<p>MCINNES COOPER 1300-1969 Upper Water Street P.O. Box 730 Halifax, NS B3J 3R7 Attn: Stephen Kingston Stephen.kingston@mcinnescooper.com</p>	<p>CANADA REVENUE AGENCY Insolvency Division 145 Hobsons Lake Drive Halifax, NS B3S 0H9 Attn: Mike MacLean mike.maclean@cra-arc.gc.ca</p>