

**IN THE MATTER OF THE CCAA PROCEEDINGS OF
ANTIBE THERAPEUTICS INC.
COMMENCED ON APRIL 9, 2024**

FREQUENTLY ASKED QUESTIONS

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I. INTRODUCTION

On April 9, 2024, Antibe Therapeutics Inc. ("**Antibe**" or the "**Company**") sought and obtained protection from their creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**"), pursuant to an Order (the "**Initial Order**") granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The proceedings under the CCAA are referred to herein as the "**CCAA Proceedings**".

As announced on March 4, 2024, Antibe is subject to a ruling of the Singapore International Arbitration Centre that requires Antibe to make payments of approximately US\$24 million (the "**Award**") to Nuance Pharma Limited ("**Nuance**"), a former licensee. While Antibe strongly disagrees with the arbitration decision, it has accepted it in good faith.

As announced on April 1, 2024, on March 28, 2024, Antibe was served with a Notice of Application by Nuance seeking, amongst other things, recognition of the Award and the appointment of a receiver (the "**Nuance Application**").

Antibe is developing a new nonsteroidal anti-inflammatory drug named otenaproxesul. The Company was in the process of preparing to launch a Phase 2 clinical trial for otenaproxesul which is anticipated to be completed in mid- to late-August (the "**Phase 2 Trial**"). As also announced on April 1, 2024, the U.S. Food and Drug Administration (the "**FDA**") has placed a hold on the Phase 2 Trial.

The CCAA Proceedings were commenced in order to have the necessary time to continue its engagement with the FDA to clarify the concerns that resulted in the hold, to endeavour to satisfactorily address them in order to enable the Phase 2 Trial to proceed or to determine what other steps might be necessary and appropriate, all in order to preserve and maximize value for all stakeholders.

The Initial Order provides, amongst other things, for a "stay of proceedings" against the Company or its directors and officers. The stay of proceedings means that no proceeding or enforcement process in any court or tribunal in respect of the Company, its Business or Property may be commenced or continued against the Company or its current and former directors and officers, except with the written consent of the Company and the Monitor, or with leave of the Court during the CCAA Proceedings.

The Initial Order also prevents suppliers of goods and services from terminating any contract, agreement, license or permit in favour of or held by the Company, except with the written consent of the Company and the Monitor or leave of the Court. Furthermore, the Initial Order, prohibits anyone having oral or written agreements with the Company or statutory or regulatory mandates for the supply of goods and/or services from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Company.

A requirement of the CCAA is the appointment of a monitor (the "**Monitor**"), an independent officer of the Court whose role is, among other things, to assist in the restructuring and report to the Court on the Company's activities during the CCAA Proceedings. Deloitte Restructuring Inc. ("**Deloitte**") has been appointed Monitor.

This CCAA Communications package is intended to address questions commonly asked by various stakeholders regarding the CCAA Proceedings and its impact on their dealings with the Company.

II. FREQUENTLY ASKED QUESTIONS - GENERAL

1. What is the CCAA?

- The *Companies' Creditors Arrangement Act*, or "CCAA" is a Canadian federal statute that enables debtor companies to restructure their financial affairs, which could include the sale of their business or assets, under the supervision of the Court.
- As part of the CCAA Proceedings, the Court grants a "stay of proceedings" which prevents creditors, such as lenders and suppliers, from taking action against, or terminating contracts or agreements with, the debtor company, giving it the time and stability to enable it to restructure or sell its business.

2. Is the Company bankrupt?

- No. Under Canadian insolvency and restructuring laws, "bankruptcy" is a specific type of proceeding under which an insolvent company's operations are terminated and a trustee is appointed by the Court to take control of, and sell, the debtor company's assets for the benefit of its creditors.
- The CCAA proceedings, among other things, prevent creditors from forcing a company into bankruptcy. For this reason, CCAA proceedings are sometimes referred to as "bankruptcy protection" in Canada.

3. Why did the Company file CCAA?

- The CCAA Proceedings were commenced to enable the Company to continue its engagement with the FDA to clarify the concerns that resulted in the hold placed on the Phase 2 Trial, to endeavour to satisfactorily address those concerns in order to enable the Phase 2 Trial to proceed or to determine what other steps might be necessary and appropriate, all in order to preserve and maximize value for all stakeholders.

4. What happens in a CCAA filing?

- Generally, in a CCAA proceeding, a debtor company is given time to develop and propose a "plan of arrangement" to its creditors under which the financial affairs of the company are restructured. One restructuring alternative may include the sale of the business.
- During the CCAA proceedings, there is a Court-ordered "stay of proceedings" which prevents creditors from taking actions that could destabilize the company or force it into bankruptcy.
- Subject to the oversight of the Monitor and the Court, the Company remains in control of its business and operations while it takes steps to restructure its business and assess the possibility of a refinancing or sale business and assets.
- The Court appoints a Monitor to oversee the activities of the Company and assist stakeholders with the CCAA process. Deloitte Restructuring Inc. has been appointed as Monitor.

5. What is the Monitor?

- The Monitor is an officer of the Court whose responsibilities include assisting the company with its restructuring, reporting to the Court from time to time on the progress of the proceedings and, ultimately, providing a recommendation on the plan of arrangement (if one is proposed) or on the refinancing or sale of the business. Deloitte Restructuring Inc. has been appointed as Monitor.

6. How long will the CCAA proceeding take to complete?

- The Court has granted an initial stay of proceedings for 10 days, which is the maximum allowed by law on an initial application under the CCAA. The Company will return to Court before the end of that period to request an extension of the stay period.
- The Company may request additional extensions of the stay of proceedings as required in order to complete the restructuring process. Each request for an extension must be approved by the Court.
- It is not possible to say with certainty how long the CCAA proceedings will last.

7. Who is now in charge of the Company?

- The Board of Directors and the executive management team remain in control of the Company and its operations, subject to the specific requirements of the CCAA Order and any further orders of the Court.

8. What does the filing mean for the Company's operations?

- With the FDA hold in place, the Company is unable to proceed with the Phase 2 Trial. During the initial stages of the CCAA Proceedings, the Company intends to continue its engagement with the FDA to clarify the concerns that resulted in the hold placed on the Phase 2 Trial, to endeavour to satisfactorily address those concerns in order to enable the Phase 2 Trial to proceed or to determine what other steps might be necessary and appropriate, all in order to preserve and maximize value for all stakeholders

9. Does the Company have sufficient financing to continue operations during the CCAA Proceedings?

- Yes. Based on the current cash flow forecasts prepared by the Company and reviewed by the Monitor, and subject to the underlying assumptions thereof, current cash reserves are expected to be sufficient to fund operations during the CCAA Proceedings.

10. How will I be kept informed of developments during the proceedings?

- Periodic updates on the progress of the restructuring and any key developments, together with all materials filed with the Court, will be available on the Monitor's website at www.insolvencies.deloitte.ca/en-ca/antibe.

11. What do I do if I have other questions?

- For questions relating to the CCAA Proceedings, you can contact the Monitor at antibe@deloitte.ca or at 416-874-3874.

III. FREQUENTLY ASKED QUESTIONS - EMPLOYEES

1. How will I be paid my wages/salary?

- Wages and salaries will continue to be paid as usual in the normal course, both for amounts earned before or after the commencement of the CCAA Proceedings.

2. What about expenses?

- Expense incurred and submitted for reimbursement in accordance with the Company's existing policies will be reimbursed, both for amounts incurred before or after the commencement of the CCAA Proceedings.

3. How will my vacation entitlements be affected?

- Your vacation entitlements are not affected by the CCAA proceedings.
- You must continue to comply with the Company's existing policies and procedures with regard to approval of time off.

4. Will my benefits package continue?

- Yes, benefits arrangements remain unchanged.

5. Are there going to be employment terminations?

- There is no current intent for the Company to make any employment terminations.

6. Do my role or responsibilities change and who do I now report to?

- The plan is for business-as-usual during the CCAA Proceedings. There are no plans for changes to any roles, responsibilities or lines of reporting.

IV. FREQUENTLY ASKED QUESTIONS - SUPPLIERS

1. I have unpaid invoices for services rendered prior to the CCAA filing. Will these amounts be paid?

- Claims against the Company in respect of services provided prior to the date of the Initial Order (known as “pre-filing claims”) are subject to the stay of proceedings provided under the Initial Order. The Company is prohibited from paying pre-filing claims at this time.
- Whether the pre-filing claims can be paid in the future will depend on the outcome of the CCAA Proceedings.

2. How do I file a claim for amounts outstanding?

- There is no statutory process for the filing of claims in a CCAA proceeding.
- If the filing of claims becomes necessary, the Company will seek a “Claims Procedure Order” from the Court. If a Claims Procedure Order is granted, that Order would set the process for the filing of claims. The Monitor will notify all known creditors of the claims process if one is ordered.
- In the meantime, suppliers should ensure that all invoices in respect of pre-filing goods and services have been submitted to the Company.

3. Do I have to continue to provide services to the Company?

- The Initial Order provides that anyone having a written or oral agreement to provide goods or services to the Company is prohibited from terminating such arrangements, provided that the Company pays the agreed prices or charges for such goods or services provided after the commencement of the CCAA Proceedings.

4. Will I be paid for goods and services provided in the future?

- Yes. Payments will be made for goods and services requested and provided to the Company after the commencement of the CCAA Proceedings.

5. Who do I now deal with in respect of goods and services to be provided in the CCAA Proceedings?

- Suppliers should continue to deal with their normal contacts at the Company.

6. I have heard that I can recover goods that I delivered in the 30 days before the CCAA filing. Is that correct?

- That is incorrect. Those rights would only arise if the Company is placed into bankruptcy.

V. FREQUENTLY ASKED QUESTIONS – INVESTORS

1. Will I be able to continue to buy or sell shares of Antibe during the CCAA Proceedings?

- Trading of Antibe’s shares was suspended on April 9, 2024.

2. Will I retain my shares and/or recover any value for my shares when the CCAA Proceedings are completed?

- It is not possible to predict the outcome of the CCAA and the impact on the existing equity at this time.

3. As a shareholder, do I get a vote on the restructuring?

- In general, there is no vote of shareholders in respect of a restructuring under the CCAA, though it is possible that a vote of shareholders could occur in specific, but rare, circumstances.