

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN
OF COMPROMISE OR ARRANGEMENT OF
GROWTHWORKS CANADIAN FUND LTD.

**TWENTY-SEVENTH REPORT OF
FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

June 25, 2021

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N :

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN
OF COMPROMISE OR ARRANGEMENT OF
GROWTHWORKS CANADIAN FUND LTD.

**TWENTY-SEVENTH REPORT OF
FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

1. On October 1, 2013, GrowthWorks Canadian Fund Ltd. (the “**Fund**”) made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”) and an initial order (the “**Initial Order**”, a copy of which, as amended and restated, is attached hereto as Appendix “A”) was granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).

2. The Initial Order, among other things, granted a stay of proceedings against the Fund, which stay of proceedings was most recently extended until June 30, 2021 (the “**Stay of**

Proceedings”). The Initial Order also appointed FTI Consulting Canada Inc., as monitor of the Fund (the “**Monitor**”).

3. The proceedings commenced by the Fund under the CCAA will be referred to herein as the “**CCAA Proceedings**”.

BACKGROUND

4. The Fund is a labour sponsored venture capital fund that held a diversified portfolio (the “**Portfolio**”) consisting primarily of investments made in small and medium-sized Canadian businesses (each a “**Portfolio Company**”). The Fund typically made venture investments in early to mid-stage private companies. A significant portion of the Portfolio comprises minority equity holdings in companies.

5. The Fund was formed in 1988 with the investment objective of achieving long-term appreciation for its Class A shareholders, who are principally comprised of retail investors. The Fund aimed to achieve this objective by investing the net proceeds realized from the sale of Class A Shares to the public, and later disposing of those investments at a profit, thereby providing investors with a return on their investment.

6. In the years prior to the commencement of the CCAA Proceedings, the sale of Class A Shares of the Fund declined. This was the result of a variety of factors including the collapse of the technology sector in 2000 and the Province of Ontario’s announcement in 2005 that the Ontario labour-sponsored investment fund tax credit would be phased out by 2011.

7. To obtain liquidity, on May 28, 2010, the Fund entered into a Participation Agreement with Roseway Capital L.P. (as amended, the “**Participation Agreement**”) pursuant to which

Roseway Capital L.P. advanced \$20 million to the Fund in exchange for a participating interest in certain venture investment holdings of the Fund. The Fund's payment obligations under the Participation Agreement were secured against certain of the Fund's assets. Roseway Capital L.P. subsequently assigned the Participation Agreement to Roseway Capital S.a.r.l (**"Roseway"**).

8. On September 30, 2011, the Fund ceased offering Class A Shares for sale to the public. In the fall of 2011, the Fund closed Class A Share redemptions in order to preserve the Fund's capital resources for follow on investments in Portfolio Companies and its operating commitments.

9. There were two principal factors that led the Fund to commence these CCAA Proceedings on October 1, 2013:

- (a) first, pursuant to the Participation Agreement, the Fund was required to make a payment of \$20 million to Roseway on September 30, 2013, and a further payment of \$5.7 million to Roseway within five business days after the \$20 million payment was due. The Fund was unable to meet those obligations and had been unable to reach agreement on the terms of a further extension; and
- (b) second, the Fund's day-to-day operations with respect to the Portfolio had been delegated to GrowthWorks WV Management Ltd (the **"Former Manager"**) pursuant to an amended and restated management agreement dated July 15, 2006 (the **"Management Agreement"**). On September 30, 2013, the Fund terminated the Management Agreement as a result of the Former Manager's defaults in respect of certain of its obligations thereunder.

10. The Fund commenced these CCAA Proceedings to: (i) explore opportunities for a refinancing or other strategic transaction involving the Fund; (ii) continue its orderly divestiture of the Portfolio; and (iii) resolve the material claims filed against the Fund by the Former Manager and others.

11. As set out in further detail in this Report, the Fund has made significant efforts in each of these respects over the course of the CCAA Proceedings and anticipates that the processes implemented to achieve these purposes will be completed or nearing completion during the proposed extension of the Stay of Proceedings.

12. From the outset of the CCAA Proceedings, the Fund has disclosed to its stakeholders and the Court that it may take a significant amount of time to carry out an orderly divestiture of the Portfolio as the availability of value-maximizing exit opportunities in the Portfolio depended on the existence of favourable M&A and IPO market conditions and the Portfolio Companies achieving value enhancing milestones, such as a regulatory approval of innovative devices. The Fund does not have any control over these elements.

PURPOSE OF THIS REPORT

13. The purpose of this Twenty-Seventh Report of the Monitor is to provide an update to the Court and provide the Monitor's comments on, *inter alia*:

- (a) the Fund's recovery of the cost award issued against the Former Manager;
- (b) the status of the Fund's Portfolio and realizations of the Portfolio since September 12, 2020;

- (c) the status and next steps in the claims process;
- (d) the Fund's receipts and disbursements for the period from September 12, 2020 to June 21, 2021 with a variance analysis from the prior cash flow projections;
- (e) the Fund's cash flow projections for the period June 22, 2021 to March 31, 2022;
- (f) next steps for the Fund in these CCAA Proceedings; and
- (g) the Fund's request for an extension of the Stay of Proceedings until March 31, 2022.

TERMS OF REFERENCE

14. In preparing this report, the Monitor has relied upon unaudited financial information, other information available to the Monitor, where appropriate the Applicant's books and records and discussions with various parties and the Fund's investment and other advisors.

15. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

16. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

17. Capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the affidavit of Ian Ross, sworn June 18, 2021 and filed (the "**Fund Affidavit**").

18. This report should be read in conjunction with the Fund Affidavit as certain information contained in the Fund Affidavit has not been included herein in order to avoid unnecessary duplication.

FORMER MANAGER LITIGATION

19. As noted above, prior to the commencement of these CCAA Proceedings, the Fund's day-to-day operations with respect to the Portfolio were delegated to the Former Manager. The termination of the Management Agreement by the Fund formed the basis of a significant claim filed against the Fund in the amount of \$18 million and a corresponding counterclaim (the "**Former Manager Litigation**").

20. The Former Manager Litigation proceeded to trial on July 17, 2017 for two weeks before the Honourable Mr. Justice Wilton-Siegel. On May 18, 2018, Justice Wilton-Siegel issued his reasons for judgment holding, among other things, that the Fund had properly terminated the Management Agreement. In August 2019, Justice Wilton-Siegel issued a costs decision awarding costs to the Fund in the amount of \$400,000 (the "**Costs Award**"). To date, the Fund has received \$229,000 in respect of the Costs Award, which funds (plus interest) were previously held by the Fund as security for costs.

21. On September 11, 2020, the Fund and the Former Manager executed an agreement (the "**Tripartite Agreement**") with GrowthWorks Commercialization Fund Ltd. (the "**Commercialization Fund**"), another fund that was previously managed by the Former Manager. The Tripartite Agreement provided that the balance of the Cost Award would be paid directly by the Commercialization Fund to the Fund from proceeds of dissolution of the Commercialization Fund, which proceeds would otherwise be payable to the Former Manager.

22. The Commercialization Fund is in the process of winding up its affairs, and upon doing so, will directly remit to the Fund the balance of the Costs Award. The Monitor understands from the Fund that it is hopeful that this will be completed during the proposed extension of the Stay of Proceedings.

STATUS OF THE PORTFOLIO

The Portfolio

23. At the commencement of these CCAA Proceedings, the Portfolio consisted of investments in approximately 71 companies. These investments principally comprised minority equity and debt holdings in early to mid-stage private software, technology and biotech companies.

24. Minority venture capital investments in private companies such as those in the Portfolio are not immediately saleable and it takes time for appropriate exit opportunities to arise. Forced divestments prior to the occurrence of viable exit opportunities generally results in significantly reduced sale proceeds. The Fund, similar to other venture capital funds, depends on favourable M&A and/or IPO market conditions for full value, cash-generating exit events, conditions over which the Fund has little or no control.

Sale Process

25. On November 18, 2013, shortly after the commencement of the CCAA Proceedings, the Court issued an order (the “**SISP Order**”) approving a sale and investment solicitation process (the “**SISP**”) to allow the Fund to seek proposals to acquire all or substantially all of the

property, assets and undertakings of the Fund and/or proposals to make an investment in, or refinance the business of the Fund.

26. In accordance with the SISP Order, the Monitor published notices in *The Globe and Mail* (National Edition) and the Wall Street Journal on November 22, 2013, and the Fund's financial advisor, CCC Investment Banking ("CCC"), identified and contacted 157 potential purchasers and investors. Of these, approximately 125 parties requested and were sent teaser letters, approximately 55 parties executed a confidential non-disclosure agreement, 36 parties requested and were sent a confidential information memorandum outlining in detail the opportunity to acquire or invest in the business of the Fund and were also given access to an electronic data room created and maintained by CCC, and 30 parties accessed that electronic data room.

27. Seven letters of intent ("LOIs") were received by the Phase 1 Bid Deadline of December 13, 2013 and it was determined that the SISP should continue into Phase II, which commenced December 20, 2013.

28. During Phase II of the SISP, the six Qualified Bidders were granted further access to due diligence materials and were given the opportunity to participate in due diligence calls conducted by CCC and senior management of certain of the Portfolio Companies.

29. Ultimately, two proposals were received by the Phase 2 Bid Deadline of February 3, 2014. However, neither of the two proposals constituted Qualified Bids since, among other things, they did not contain cash consideration sufficient to pay the secured debt owing to Roseway in full.

Initial Portfolio Divestitures and Payment of Roseway Claims

30. In light of the results of the SISP, which revealed no acceptable offers to purchase the assets of the Fund, the Fund determined that it was appropriate and in the best interests of its stakeholders to pursue an orderly liquidation of the Portfolio.

31. The Fund entered into an investment advisor agreement (the “**Roseway IAA**”) with Roseway pursuant to which Roseway was retained to provide investment management and other administration services to the Fund. The Roseway IAA was approved by the Court on May 16, 2014.

32. In accordance with the Roseway IAA, in June 2014 Roseway engaged Ms. Donna Parr of Crimson Capital Inc. (the “**Investment Advisor**”) to manage the Portfolio. With the assistance of the Investment Advisor, the Fund was able to successfully divest a significant portion of the Portfolio in 2014 and 2015, which generated sufficient proceeds to repay the amounts owing to Roseway in full.

33. At the commencement of these CCAA Proceedings approximately \$25.7 million was outstanding and owing to Roseway. On November 28, 2013, this Court granted an Order authorizing the Fund, with the consent of the Monitor, to make distributions to Roseway on account of its secured claims provided that the Fund was able to pay certain priority payables when due (the “**Roseway Distribution Order**”)

34. In accordance with the Roseway Distribution Order, distributions totalling CDN\$31.7 million, inclusive of interest, were made to Roseway on June 10, 2015 and September 4, 2015, in full and final satisfaction of all amounts owing to it. To conclude its relationship with

Roseway, and with the consent of the Monitor, the Fund gave notice of its termination of the Roseway IAA in accordance with its terms. The Roseway IAA terminated on December 9, 2015.

Continued Engagement of the Investment Advisor

35. Following the payment in full to Roseway, in consultation with the Monitor, and after soliciting offers from other investment advisors, the Fund determined to continue to retain the services of the Investment Advisor. The Fund entered into an investment advisor agreement with the Investment Advisor dated December 8, 2015 which was approved by this Court by order dated December 14, 2015 (the “**IAA**”).

36. Over the past few years, the Fund has entered into various amended and restated investment advisor agreements extending the Investment Advisor’s engagement on substantially the same terms and conditions as the original IAA, other than reductions in fees to account for the reduced size of the Portfolio.

37. The Fund, with the assistance of the Investment Advisor and in consultation with the Monitor, has continued the orderly divestiture of its Portfolio as detailed further below.

Strategic Review

38. In 2018, the board of directors of the Fund (the “**Board**”) commenced a strategic review of the Portfolio, including conducting a market check as to the value of the entire Portfolio, in order to consider whether there were appropriate alternatives to continuing the orderly liquidation of the remaining Portfolio. To assist with this strategic review, the Board re-engaged CCC as financial advisor to implement the market check and to advise the Board as to potential

strategic alternatives, which included the sale of all or substantially all of the Fund's remaining assets or a sale of the Fund itself.

39. In March 2019, CCC undertook a limited marketing process, contacting parties that had previously expressed interest in acquiring the Portfolio and/or the tax losses associated with the Portfolio. No acceptable proposals were put forward as a result of this limited marketing process.

40. In July 2019, CCC, at the direction of the Board, and with the approval of the Monitor, commenced a broader marketing of the Portfolio, contacting approximately 75 parties which were considered potential purchasers of the Portfolio. These potential purchasers were primarily small to medium size investment funds and private family investment funds (the "**Second Canvassing**").

41. CCC actively marketed the Portfolio in the Second Canvassing for approximately 5 months, however, no acceptable offers were forthcoming. Accordingly, in December 2019, the Board, with the concurrence of the Monitor, rejected all offers and proposals received.

42. Based on the evidence of the strategic reviews completed, it was and continues to be the view of the Investment Advisor, the Board and the Monitor that continuation of an orderly liquidation of the Portfolio is in the best interests of stakeholders, principally being the shareholders of the Fund.

Reduction of Administrative Costs

43. The Fund, in consultation with the Monitor, has taken steps to reduce its administration costs while the Investment Advisor continues to pursue the orderly divestiture of the Portfolio

by, among other things: (i) changing the Fund's auditors and dispensing with audited financial statements; (ii) reducing the size of the Board from eleven to three directors; (iii) reducing the amount paid to its directors by way of board retainers and board meeting fees; and (iv) eliminating costs for director travel in relation to Board meetings.

44. In addition, the Monitor, the Fund and their counsel have ensured that there is little, if any, duplication of work and that the costs of these CCAA Proceedings are kept to a minimum.

Status of the Portfolio

45. The timing of the divestment of the Portfolio has been critically important. The Fund has focused on selling the Portfolio investments at opportune times, thereby avoiding a fire sale of its assets. This strategy has generated considerable returns and maximized recoveries for stakeholders.

46. During the last extension of the Stay of Proceedings, on October 1, 2020, the Fund closed the sale of the shares and debt that the Fund held with respect to a material Portfolio Company, Aizan Technologies Inc., for \$1.20 million.

47. In addition, during the last extension of the Stay of Proceedings, the Fund resolved certain disputes with one of its Portfolio Companies, BluePrint Software Systems Inc. ("**Blueprint**"), concerning the entitlement of the Fund to maintain its non-diluted percentage of ownership in Blueprint. As part of this resolution, the Fund exchanged its common shares held in Blueprint for Class C Convertible Preferred Shares. In addition, the Fund further invested in Blueprint to maintain the value of its share ownership and purchased 658,439 Class

D Convertible Preferred Shares for an aggregate purchase price of US\$214,167.95 less US\$20,000.00 in legal expenses that were incurred by the Fund.

48. Since the commencement of the CCAA Proceedings, the Fund has realized approximately CDN\$57.0 million through divestments of Portfolio assets. More specifically, during the last stay period the Fund realized approximately CDN\$1.6 million through divestments. The Monitor, on behalf of the Fund, is currently holding approximately US\$3.33 million and CDN\$1.30 million in cash.

49. At this time, the Fund holds 13 investments. However, the Monitor has been advised by Crimson Capital that 5 of the 13 investments have negligible value.

50. While the Fund has not undertaken a formal valuation of its remaining Portfolio, the Investment Advisor estimates that the remaining realizable value of the Portfolio is between approximately \$24 million and \$35 million. The Monitor notes that this estimate is subject to variation as to timing of disposition and market prices.

51. As mentioned above, the divestment of the remaining Portfolio depends on the existence of favourable market conditions and the occurrence of value enhancing events, such as the regulatory approval of an innovative device. Therefore, the exact timing of the disposition of the remainder of the Portfolio was and is still not certain. Moreover, as the Fund does not hold a controlling position in any of the Portfolio investments, it is not able to force a sale without the consent of a Portfolio Company's other shareholders or debtholders.

52. In view of the foregoing, the Investment Advisor, with the oversight of the Board and the Monitor, continues to balance the necessity for favourable market conditions to dispose of

the Portfolio (in order to maximize value), with the need to efficiently realize on the Fund's investments in a timely manner for distribution to stakeholders.

53. The Investment Advisor is continuing to actively seek out opportunities to liquidate the Fund's remaining assets to maximize value. The Board and the Monitor are provided with regular updates on the Investment Advisor's progress in this regard. The Monitor understands from the Fund and the Investment Advisor that the Fund hopes be in a position in the short or medium term to liquidate its remaining investment positions or determine that it is appropriate to terminate that process.

CLAIMS PROCESS

54. On January 9, 2014, the Court issued a claims procedure order (the "**Claims Procedure Order**") establishing a claims procedure to identify, determine and resolve pre-filing claims of creditors of the Fund (the "**Pre-Filing Claims Process**"). The Claims Procedure Order called for, with certain exceptions, pre-filing Claims, D&O Claims and D&O Indemnity Claims (as each term is defined in the Claims Procedure Order).

55. The Claims Bar Date was 5:00 p.m. EST on March 6, 2014. On or before that time, the Monitor received approximately 255 claims totalling in excess of \$725 million. The following types of claims were filed in the Pre-Filing Claims Process:

- (a) a claim by the Former Manager for an amount in excess of \$18 million, which has been adjudicated in the Former Manager Litigation;

- (b) a claim by Allen Vanguard for an amount of \$650 million and a related unquantified claim filed by certain offeree shareholders, which were each settled;
- (c) a claim filed by Douglas Milburn and other plaintiffs in certain litigation against the Fund related to shares held in Advanced Glazing Technologies Ltd. (“**Advanced Glazing**”) for an amount in excess of \$28 million, which was dismissed as a result of the Fund’s sale of its interest in Advanced Glazing;
- (d) claims filed by equity claimants holding shares in the Fund; and
- (e) claims submitted by various individuals which provided no information as to the nature of the claim.

56. The material claims that were filed in the Pre-Filing Claims Process have each been resolved as a result of the efforts undertaken by the Fund and the Monitor over the course of these CCAA Proceedings. In particular, the Fund spent much of these proceedings in protracted and significant litigation with the Former Manager, which only concluded in August 2019.

57. The claims remaining to be reviewed and adjudicated at this stage consist of equity claims and claims filed by individuals.

58. The Claims Procedure Order did not provide any deadline by which the Monitor must review and adjudicate the claims filed. As set out in previous reports filed in these proceedings, the Monitor determined that it would adjudicate the claims filed only if and when: (i) the secured claims of Roseway had been repaid in full; (ii) the claim of the Former Manager had

been determined; and (iii) it appeared that there would be proceeds for distribution to unsecured creditors and shareholders of the Fund.

59. As a result of the proceeds that have been, or are expected to be, realized from the ongoing disposition of the Portfolio and being advised that the Fund hopes to be in a position to conclude its orderly liquidation process in the next 12 months and be in a position to proceed with a distribution to its stakeholders, the Monitor has determined that it is now appropriate to review and adjudicate the claims filed in the Pre-Filing Claims Process.

60. The Monitor has also determined that it is now appropriate to conduct a post-filing claims process, including the solicitation of potential post-filing claims against the directors and officers of the Fund, in connection with the directors and officers charge granted by this Court pursuant to the Amended & Restated Initial Order dated October 1, 2013. The Monitor understands that the Fund intends to bring a motion to approve a post-filing claims process in the near future.

61. The Monitor anticipates that the proposed extension of the Stay of Proceedings will provide it with sufficient time to complete its review and adjudication of the claims filed in the Pre-Filing Claims Process and complete the post-filing claims process.

**ACTUAL RECEIPTS AND DISBURSEMENTS OF THE FUND FOR THE PERIOD
SEPTEMBER 12, 2020 to JUNE 21, 2021**

62. The Fund's actual net cash flow for the period from September 12, 2020 to June 21, 2021 (the "**Current Period**") together with an explanation of key variances as compared to the forecast attached to the Monitor's Twenty-Sixth Report (the "**Prior Forecast**") is set out below.

Growthworks Canadian Fund Ltd.

Forecast v. Actual

Actuals as at June 21, 2021

(CAD in thousands)	Forecast	Actual	Variance
Beginning Cash Balance	5,018	5,018	-
Cash Flow from Operations			
Receipts	9,295	1,629	(7,666)
Follow on Investment	-	(235)	(235)
Fund Legal Fees - General	(199)	(47)	152
Fund Legal Fees - Litigation	(51)	(9)	41
Back Office and Administrative	(92)	(42)	50
CEO and Board Fees	(162)	(137)	25
Legal Fees re: Transactions	(142)	(130)	13
Other Expenses and Contingency	(97)	(50)	47
Realized FX Gain (Loss)	-	(290)	(290)
Operating Cash Flows	8,552	689	(7,863)
Monitor Fees	(130)	(63)	67
Counsel to the Monitor Fees	(43)	(18)	25
IAA Disbursements	(742)	(206)	536
Projected Net Cash Flow	7,637	402	(7,235)
Ending Cash Balance	12,655	5,420	(7,235)

63. The negative variance in receipts is caused by the delay in the occurrence of forecasted divestments of certain shares held in the Portfolio. The monetization of these investments is anticipated to occur at a later date, although timing and amount realized are uncertain at this time. As a result of this delay, there is a positive variance in the disbursements related to disposition of the investments (IAA Disbursements and Legal Fees re: Transactions), as these disbursements include provisions for fees payable on investment exits and for legal fees to close these transactions.

64. The positive variance in Fund general legal and litigation fees is due to lower than anticipated litigation costs. The positive variance in CEO and Board Fees are primarily due to a reduction in the number of Board meetings held. The positive variance in back office and

administrative, other expenses and contingency, as well as Monitor’s Fees and Monitor’s Counsel Fees is due to ongoing efforts to minimize costs in the administration of the estate.

THE FUND’S CASH FLOW FORECAST

65. The Fund has prepared a cash flow forecast for the period from June 22, 2021 to March 31, 2022 (the “**Forecast**”). A copy of the Forecast is attached as Appendix “B”. The Forecast shows a closing balance of approximately \$19.2 million. The Forecast is summarized below:

(CAD in thousands)	
	Total
Beginning Cash Balance	5,420
Cash Flow from Operations	
Receipts	16,080
Fund Legal Fees - General	(239)
Fund Legal Fees - Litigation	(45)
Back Office and Administrative	(86)
CEO and Board Fees	(131)
Legal Fees re: Transactions	(169)
Other Expenses and Contingency	(97)
Operating Cash Flows	15,312
Monitor Fees	(130)
Counsel to the Monitor Fees	(22)
IAA Disbursements	(1,366)
Projected Net Cash Flow	13,794
Ending Cash Balance	19,214

66. It is anticipated that throughout the Forecast period, the Fund’s projected liquidity requirements will be met from cash currently on hand and future investment exits. It is anticipated that approximately \$16.0 million will be realized from investments during the proposed stay extension period, however, we note that timing and quantum of such receipts remain subject to change.

NEXT STEPS IN THE CCAA PROCEEDINGS

67. As set out in further detail above, the Board, with the assistance of the Monitor, will continue to pursue an orderly liquidation of the remainder of the Portfolio. The Fund and the Monitor will complete the review and adjudication of claims filed in the Pre-Filing Claims Process and implement a post-filing claims process.

68. The Fund hopes to complete each of these processes within the next 9 months. At that point, it will be in a position to put forward a CCAA plan or other method of distribution in order to distribute proceeds from the disposition of the Portfolio to stakeholders or provide its stakeholders and the Court with a concrete estimate of when it will be in a position to do so.

69. The Monitor understands from the Fund that there are approximately 100,000 holders of Class A Shares of the Fund. As a result, (i) the distribution that would be available to each of these equity holders at this stage is relatively small, and (ii) there would be significant costs associated with each distribution that is made to equity holders. The remaining realizable value of the Portfolio is estimated to be between approximately \$24 million and \$35 million. Accordingly, the Monitor believes that it has been, and continues to be, appropriate for the Fund to wait until the orderly liquidation of the Portfolio is substantially completed and there are significant proceeds available for distribution to unsecured creditors and equity holders of the Fund before a CCAA plan or other mechanism to distribute these proceeds is implemented.

STAY EXTENSION

70. On the four most recent motions brought by the Fund to extend the Stay of Proceedings, the Honourable Mr. Justice Hainey granted nine-month extensions, specifically on each of June

28, 2018, March 22, 2019, December 18, 2019 and September 22, 2020. The Stay of Proceedings currently expires on June 30, 2021.

71. The Fund initially sought a 12-month extension of the Stay of Proceedings to and including June 30, 2022. The Monitor is mindful of the fact that, by the end of the proposed extension of the Stay of Proceedings, it will have been over 8 years since the commencement of the CCAA Proceedings. As noted above, the atypical length of the CCAA Proceedings has been due to, among other things: (i) the protracted litigation with the Former Manager; (ii) the illiquid nature of the Portfolio; and (iii) the desire to maximize recoveries for the stakeholders of the Fund.

72. The Monitor has indicated to the Fund that, given the age of the CCAA Proceedings, it is not prepared to support a 12-month stay extension. The Monitor is of the view that an extension of 9 months is more appropriate in the circumstances and consistent with the length of stay extensions that have been granted in these proceedings. The Fund has agreed to reduce the length of the extension that it is seeking to 9 months.

73. The Monitor intends to be back before this Honourable Court in the next 3 months to seek approval of a post-filing claims process, at which time it will provide a further update on the realization of the Fund's remaining assets.

74. In the view of the Monitor, a 9 month stay extension will facilitate the completion of the adjudication of the remaining Pre-Filing Claims Process and the solicitation of post-filing claims. In addition, the 9 month extension is consistent with the most optimistic timeline for the Fund to complete the orderly liquidation of the Portfolio and develop a CCAA plan or other mechanism to make a distribution to the Fund's creditors and equity holders.

75. The Monitor has been advised by the Fund and the Investment Advisor that if the Fund was required to complete the liquidation of the Portfolio on a more expedited timeline, that would likely lead to significantly lower recoveries on these investments and lower distributions to the Fund's stakeholders.

76. Accordingly, the Monitor continues to be of the view that the continuation of an orderly liquidation of the Portfolio is in the best interests of stakeholders and the proposed extension of the Stay of Proceedings for a period of 9 months is appropriate in the circumstances.

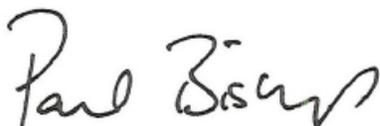
77. The Monitor is of the belief that the Fund has acted, and is acting, in good faith and with due diligence and that circumstances exist that warrant an extension of the Stay of Proceedings to March 31, 2022.

The Monitor respectfully submits to the Court this Twenty-Seventh Report.

Dated this 25th day of June 2021.

FTI Consulting Canada Inc.

In its capacity as Monitor of GrowthWorks Canadian Fund Ltd. and not in its personal or corporate capacity

A handwritten signature in black ink, appearing to read "Paul Bishop". The signature is written in a cursive, flowing style.

Paul Bishop
Senior Managing Director

APPENDIX "A"

Court File No.: »

CV-13-10279-
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.) TUESDAY, THE 1ST
)
JUSTICE NEWBOULD) DAY OF OCTOBER, 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
GROWTHWORKS CANADIAN FUND LTD.
(the "**APPLICANT**")



INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of C. Ian Ross sworn September 30, 2013 and the Exhibits thereto (the "**Ross Affidavit**"), and on being advised that Roseway Capital S.a.r.l. ("**Roseway**"), the secured creditor who is likely to be affected by the charges created herein was given notice, and on hearing the submissions of counsel for the Applicants, counsel for Roseway and counsel for the proposed Monitor, FTI Consulting Canada Inc., counsel for the Manager (defined below) and on reading the consent of FTI Consulting Canada Inc. to act as the Monitor,

THIS APPLICATION, made by the Applicant, pursuant to the CCAA was heard this day at 330 University Avenue, Toronto, Ontario.

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled to utilize a central cash management system (a "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or

application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all reasonable transition costs of the Manager (as defined below), and all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing management agreements, compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;

- (b) Follow on Investments in Portfolio Companies (as defined in the Ross Affidavit) for which provision is made in the Cash Flow Projection (as defined in the Ross Affidavit) or which are approved by the Monitor; and
- (c) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the

landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date except as provided in the Cash Flow Projection; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$25,000 in any one transaction or \$100,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate and terminate the provision of transitional services by the Manager (as defined below); and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "**Restructuring**"). For greater clarity, dispositions of the Applicant's interest in a Portfolio Company (as defined in the Ross Affidavit) as part of a liquidity event, is an ordinary course transaction that does not require Court approval.

12. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. THIS COURT ORDERS that until and including October 31, 2013, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process

in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

16. THIS COURT ORDERS that any rights or obligations, including any right or obligation under a contract, an agreement or other document affecting or relating to a Portfolio Company (as defined in the Ross Affidavit), that arise, come into effect or are "triggered" by the insolvency of the Applicant, by the commencement of these proceedings or the making of this Order shall be of no effect and no person shall be entitled to exercise any rights or remedies in connection therewith.

NO INTERFERENCE WITH RIGHTS

17. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant or any right, renewal right, contract, agreement, licence or permit in favour

of or held by a Portfolio Company to the extent relevant to the Applicant, the Business, the Property or these proceedings, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

this Order is without prejudice to any arguments of the Fund,

CRITICAL SUPPLIERS

20. THIS COURT ORDERS AND DECLARES that Growthworks WV Management Ltd. (the "Manager"), GrowthWorks Capital Ltd. ("GWC"), and each ~~Person engaged or contracted by the Manager and/or GWC (not including employees of the Manager or GWC) in connection with providing services to the Applicant pursuant to the Management Agreement described in the Ross Affidavit (the "Management Agreement") is a critical supplier to the Applicant as contemplated by Section 11.4 of the CCAA (each, a "Critical Supplier")~~

to the extent this Court declares any Person

21. THIS COURT ORDERS that each Critical Supplier shall be entitled to the benefit of and is hereby granted a charge (together, the "Critical Suppliers' Charge") on the Property of the Applicant in an amount equal to the lesser of (a) the value of the goods and services supplied by such Critical Supplier and received by the Applicant after the date of this Order less all amounts paid to such Critical Supplier in respect of such goods and services; (b) the amount to which the Manager is entitled to be paid under section 8.6(b) of the Management Agreement; and (c) \$50,000. The Critical Supplier Charge shall have the priority set out in paragraphs 36 and 38 herein.

a critical Supplier as contemplated by Section 11.4 of the CCAA by subsequent order

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

each, a "Critical Supplier"

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 36 and 38 herein.

25. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

26. THIS COURT ORDERS that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicant in its preparation of the Applicant's cash flow statements;
- (d) advise the Applicant in respect to the Plan and any amendments to the Plan;
- (e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property including the premises, the premises of the Manager to the extent Property of the Applicant is located on the Manager's premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order and all Persons, including the Applicant and the Manager, shall permit such full and complete access to such Property to the Monitor;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (h) establish one or more accounts to hold any proceeds of the disposition of the Portfolio Companies (the "**Proceeds Accounts**");

- (i) administer the Proceeds Accounts for and on behalf of the Applicants and to distribute funds from such Proceeds Accounts from time to time to satisfy expenses that the Applicant is entitled and/or required to pay pursuant to this Order, as directed by the Applicant and in accordance with the Cash Flow Projection and any update cash flow projections; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

28. THIS COURT ORDERS that the Monitor shall not take possession of the Property with the exception of the Proceeds Accounts, and shall take no part whatsoever in the management or supervision of the management of the Business or the businesses of the Portfolio Companies and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. THIS COURT ORDERS that McCarthy Tétrault LLP is entitled to transfer the funds held by it in trust as described in the Ross Affidavit at paragraph 88, and any future proceeds that may be received by it from time to time from the disposition of the Portfolio Companies, to the Monitor for deposit into the Proceeds Accounts to be held by the Monitor for and on behalf of the Applicant in accordance with the terms of this Order.

30. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the

"**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. THIS COURT ORDERS that that the Monitor shall provide to any creditor of the Applicant information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

32. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order (including, without limitation, with respect to administering the Proceeds Accounts for and on behalf of the Applicants), save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

33. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant and CCC, retainers in the amount of \$50,000,

respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time

34. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. THIS COURT ORDERS that the Monitor, counsel to the Monitor, CCC (as defined in the Ross Affidavit), and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 36 and 38 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

36. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the Critical Suppliers' Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$500,000);

Second – Directors' Charge (to the maximum amount of \$1,000,000); and

Third – Critical Suppliers' Charge (to the maximum amount of \$50,000).

37. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge and the Critical Suppliers' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

38. THIS COURT ORDERS that each of the Charges (as constituted and defined herein) shall constitute a charge on the Property and the Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

39. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

40. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to *Bankruptcy and Insolvency Act* (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create nor be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

- (c) neither the payments made by the Applicant pursuant to this Order nor the granting of the Charges shall constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

41. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

42. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in [newspapers specified by the Court] a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

43. THIS COURT ORDERS that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

44. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as

recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at <http://cfcanda.fticonsulting.com/gcfl>.

GENERAL

45. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

46. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, a Portfolio Company, the Business or the Property.

47. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

48. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

49. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

50. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



OCT 0 1 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF GROWTHWORKS CANADIAN FUND LTD.

Court File No:

CV-13-10279-0002

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicant

#12547919

APPENDIX “B”

Growthworks Canadian Fund Ltd.

APPLICANT'S EXTENDED 9 MONTH CASH FLOW FORECAST

(CAD in thousands)

Month Ending Forecast Month	30-Jun-21 0	31-Jul-21 1	31-Aug-21 2	30-Sep-21 3	31-Oct-21 4	30-Nov-21 5	31-Dec-21 6	31-Jan-22 7	28-Feb-22 8	31-Mar-22 9	Total
Beginning Cash Balance	5,420	5,633	5,534	5,478	13,661	13,571	13,503	15,056	17,421	19,328	5,420
Cash Flow from Operations											
Receipts	300	-	-	9,015	-	-	1,815	2,750	2,200	-	16,080
Fund Legal Fees - General	(5)	(21)	(6)	(18)	(18)	(18)	(33)	(28)	(28)	(63)	(239)
Fund Legal Fees - Litigation	-	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(45)
Back Office and Administrative	(16)	(10)	(4)	(4)	(4)	(4)	(4)	(31)	(4)	(4)	(86)
CEO and Board Fees	(7)	(28)	(7)	(7)	(28)	(7)	(7)	(28)	(7)	(7)	(131)
Legal Fees re: Transactions	(4)	-	-	(50)	-	-	(35)	(40)	(40)	-	(169)
Other Expenses and Contingency	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(97)
Operating Cash Flows	258	(74)	(32)	8,921	(64)	(43)	1,721	2,608	2,106	(88)	15,312
Monitor Fees	(28)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(130)
Counsel to the Monitor Fees	(5)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(22)
IAA Disbursements	(12)	(12)	(12)	(725)	(12)	(12)	(155)	(229)	(186)	(12)	(1,366)
Projected Net Cash Flow	213	(99)	(57)	8,183	(89)	(68)	1,552	2,365	1,907	(113)	13,794
Ending Cash Balance	5,633	5,534	5,478	13,661	13,571	13,503	15,056	17,421	19,328	19,214	19,214

Notes:

- [1] The purpose of this cash flow forecast is to determine the liquidity requirements of the Applicant during the forecast period.
- [2] Forecast Cash flow from operations assumptions are based on existing Accounts Payable.
- [3] Monitor and Monitor's Counsel Fees include professional fees associated with the CCAA Proceedings, the Applicant's restructuring efforts.
Professional fee disbursement assumptions are based on budgeted time and expenses for the various legal and financial advisors expected to participate in the CCAA Proceedings.
- [4] The opening cash balance contains \$3,327,970 USD which is converted at the June 21, 2021 Bank of Canada rate of 1.2377 CAD/USD.
- [5] Forecast receipts are the result of anticipated proceeds from portfolio divestitures.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GROWTHWORKS CANADIAN FUND LTD.**

Court File No.: CV-13-10279-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

**THE TWENTY-SEVENTH REPORT OF
FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

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