MCINNES COOPER

Ben Pryde
Direct +1 (902) 444 8453
ben.pryde@mcinnescooper.com

1969 Upper Water Street
Suite 1300
McInnes Cooper Tower - Purdy's Wharf
Halifax NS
Canada B3J 2V1
Tel +1 (902) 425 6500 | Fax +1 (902) 425 6350

Our File: 267534

April 6, 2026

The Honourable Justice John A. Keith
Supreme Court of Nova Scotia
The Law Courts
1815 Upper Water St.
Halifax, NS B3J 1S7

My Lord:

Re: In the Matter of an Application by CFFI Ventures Inc. for creditor protection under the CCAA (Hfx No. 551716)

We are counsel to the Applicant, CFFI Ventures Inc. ("**CFFI**"), in connection with this matter. We have received the letter from Darren O'Keefe, counsel for SFPC Quantum LP ("**Quantum**"), dated March 31, 2026 (the "**Quantum Letter**") and the letter from Maria Konyukhova, counsel for FTI Consulting Canada Inc. in its capacity as the court-appointed monitor (the "**Monitor**") dated April 2, 2026 (the "**Monitor Letter**"). We provide this letter to advise the Court of CFFI's position in respect of certain statements set out in the Quantum Letter in addition to those responses provided in the Monitor Letter. Capitalized terms not otherwise defined herein shall have their respective meanings set out in the Quantum Letter.

1. In respect of statements under heading 1 of the Quantum Letter (**Fairness Opinion Review: Adequacy of EY's Engagement and Secured Creditor Access**), we note as follows:

    a. As confirmed in the Monitor Letter, our understanding is that EY and the Monitor have agreed to a framework pursuant to which EY will share information with the Monitor. There is no 'impasse' as suggested by Quantum.
    b. The Monitor will have access to the EY materials and, as set out in its letter, will be commenting on the accuracy of the Fairness Opinion (among other things). As noted in the Monitor's letter, resolution of the items set out therein will determine which of CFFI's creditors hold claims with economic value and are, therefore, economically interested in these proceedings. CFFI's view, is that HPS is facing a loss of hundreds of millions of dollars against its first lien security based on the value of CFFI's assets – a view being assessed by the Monitor. The proposed CCAA plan will provide that priority creditors (in the case of Quantum, solely with respect to the security interest in the Cormorant shares) will not have their priority security interest affected. Furthermore, Quantum is a contingent creditor (Cormorant's debt has not matured or been accelerated, and the CFFI guarantee has not been called upon at this time) and the underlying facility is in the process of being refinanced. In such circumstances, distribution of the EY materials to Quantum will only serve to cause cost that is unnecessary, delay that is prejudicial, and risk of disclosure of highly commercially sensitive information. It is unwarranted.

2. In respect of statements under heading 2 of the Quantum Letter (**Non-Transferred CFFI Assets: Independent Confirmation Required**), we note as follows:

    a. We agree with the Monitor's statements in respect of this item. The valuation of these entities is not necessary at this time and should not delay the broader analysis being completed by the Monitor, which may be determinative of the appropriateness of launching a plan instead of a sale process, which continues to be CFFI's intention. Put

another way, completing this at this stage will only serve to cause prejudice (particularly, delay) without any corresponding benefit or necessity. To the extent these assets have any value – which is not CFFI's view – they can be monetized apart from the proposed Plan (though the cost of such monetization should be borne by whomever believes such an effort is worthwhile, which CFFI does not believe to be the case). Furthermore, such an exercise would require CFFI to incur a cost, which it does not believe is justifiable based on the de minimis value of these entities, many of which do not hold any assets whatsoever. The fact that they are not proposed to be transferred as part of the anticipated Plan in and of itself is indicative of this (in addition to the views of CFFI management based on their familiarity with such investments).

3. In respect of statements under heading 3 of the Quantum Letter (**Historical Asset Dispositions: Accounting for Proceeds**), we note as follows:

    a. Counsel for the Monitor confirmed in its letter of March 27, 2026 that they would be reviewing and commenting on the quantum of debt outstanding under the Note Purchase Agreement. That implicitly would account for any disposition proceeds being used with respect to the payment of same. The accounting for proceeds of any other asset dispositions is irrelevant to the determination of the need for a sale process. Similar to the above, completing this at this stage will only serve to cause delay without any corresponding benefit and there is no justification for the estate to suffer the cost associated with same.

4. In respect of statements under heading 4 of the Quantum Letter (**Quantum of Debt: Full Reconciliation Required**), as the Monitor noted in their response their review already includes the necessary items. CFFI has provided the Monitor with the documentation and details needed for such purpose. The Quantum Letter's assertion with respect to scope under this heading suggests a lack of understanding of the clear terms of the Monitor's letter of March 27, 2026 and the analysis implicit therein.

5. In respect of statements under heading 5 of the Quantum Letter (**Cormorant Shares: Dedicated Analysis Required**), as the Monitor noted in their response they are already opining on the validity of the security and the relative priority. This was discussed in open Court on March 23, 2026 and reflected in counsel for the Monitor's letter of March 27, 2026. Furthermore, there is no doubt that the CCAA Court can approve the waiver of transfer restrictions and discharge of security interests, which would be considered by the Court if and when such relief is sought.

6. In respect of statements under heading 6 of the Quantum Letter (**Security Validity and Priority: Proceeds and Recovery Analysis**), we note as follows:

    a. A waterfall analysis is irrelevant if it is shown that HPS has first ranking security and that the collateral value is well below the value of its indebtedness.
    b. The application of Section 22(3) of the CCAA with respect to FPR will only be of relevance if and when a meetings order is sought. Furthermore, given the value of FPR's claim, its ability to vote may be of no consequence.

7. In respect of statements under heading 7 of the Quantum Letter (**Corporate Governance: HPS Influence and Management Independence**), we note as follows:

    a. HPS has a single director nominee on the CFFI board of directors who recused himself from discussions relating to the Companies Act application, the CCAA proceeding and the matters related thereto, and this nominee was not part of the Special Committee that formed a view on the value of the CFFI assets to be transferred. Furthermore, while CFFI is providing the Monitor with comprehensive details with respect to

governance matters, the governance arrangements are also irrelevant to the determination of whether or not a sale process is in any way justifiable.

8. In respect of statements under heading 8 of the Quantum Letter (**HPS Security Documents and Date of Effective Control: Equitable Subordination**), we note as follows:

    a. The doctrine of equitable subordination in CCAA proceedings has been rejected (*U.S. Steel Canada Inc. (Re)*, 2016 ONCA 662).

9. In respect of statements under heading 9 of the Quantum Letter (**Process Chronology: Companies Act Attempt, CCAA Filing, and Transaction Development**), we note as follows:

    a. If the result of the Monitor's review is consistent with CFFI's views with respect to HPS's security and debt value along with the value of CFFI's assets, the chronology requested is of no relevance to the appropriateness of launching a plan or whether a sales process is justified. Again, the ask is for something that will only serve to create cost and delay at a stage where it is simply unwarranted.

10. In respect of statements under heading 10 of the Quantum Letter (**Sequencing: Further Process Steps Should Await Completion of the Monitor's Review**), we note as follows:

    a. CFFI does not intend to seek a claims process order or a meeting order before the Monitor's review is complete.

11. In respect of statements under heading 11 of the Quantum Letter (**Preservation of Quantum's Administrative Rights**), we note as follows:

    a. Nothing in the scope of ARIO or the Monitor's review impairs such items. The terms of each are clear.

All of which is respectfully submitted.

Yours very truly,

McINNES COOPER

Ben Pryde

cc: Service List